THIS ADMISSION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action you should take, you are recommended immediately to seek your own financial advice from an independent financial adviser, such as a stockbroker, solicitor, accountant or other adviser who specialises in advising on the acquisition of shares and securities who, if you are taking such advice in Ireland, should be authorised or exempted pursuant to the Investment Intermediaries Act 1995 (as amended) or the European Communities (Markets in Financial Instruments) Regulations 2007 of Ireland (as amended) or, if you are taking such advice in the United Kingdom, should be authorised pursuant to the Financial Services and Markets Act 2000 ("FSMA") of the United Kingdom or, if you are a person outside Ireland or the United Kingdom, a person otherwise similarly qualified in your jurisdiction.

If you have sold or otherwise transferred all of your Ordinary Shares prior to the date of this document, please immediately send this document, together with the accompanying Form of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you have sold or transferred part of your registered holding of Existing Ordinary Shares, you should retain this document and the accompanying Form of Proxy and immediately consult with the stockbroker, bank or other agent through whom the sale or transfer was effected. The distribution of this document and/or accompanying Form of Proxy into a jurisdiction other than Ireland or the United Kingdom may be restricted by law or regulation and therefore such documents should not be distributed, forwarded to or transmitted in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan or into any other jurisdiction where to do so would breach any applicable law or regulation.

This document is an admission document drawn up in accordance with the AIM Rules for Companies and has been prepared in connection with the proposed application for re-admission of the issued and to be issued share capital of the Company to trading on AIM, a market of London Stock Exchange plc. This document does not constitute a prospectus within the meaning of section 85 of FSMA, and has not been drawn up in accordance with the Prospectus Rules published by the Financial Conduct Authority ("FCA") and a copy has not been, and will not be, approved or filed with the FCA. This document does not constitute, and the Company is not making, an offer of transferable securities to the public within the meaning of section 102B of FSMA or otherwise.

The Company and each of the Directors and Proposed Directors, whose names appear on page 4 of this document, individually and collectively accept full responsibility for the information contained in this document, including for its compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Company, the Directors and Proposed Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Ordinary Shares are admitted to trading on AIM. Application will be made for the Enlarged Share Capital to be re-admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority (the "Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange plc in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. London Stock Exchange plc has not itself examined or approved the contents of this document. The AIM Rules for Companies are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. The Ordinary Shares are not traded on any recognised investment exchange and no such applications have been made. It is expected that Admission (as defined on page 6 of this document) will become effective and dealings on AIM will commence in the Ordinary Shares at 8.00 a.m. on 21 December 2017.

Prospective investors should read the whole of this document. An investment in the Company is speculative and involves a high degree of risk. The attention of prospective investors is drawn in particular to Part III of this document which sets out certain risk factors relating to any investment in Ordinary Shares. All statements regarding the Company's business, financial position and prospects should be viewed in light of these risk factors.

Eqtec plc

(Incorporated in Ireland under the Companies Act 2014 with registered number 462861)

Proposed acquisition of Eqtec Iberia

Proposed placing of 246,153,847 Ordinary Shares at 0.65p per share

Admission of the Enlarged Share Capital to trading on AIM

and

Notice of Extraordinary General Meeting

Nominated Adviser and Rule 3 Adviser

NORTHLAND
CAPITAL PARTNERS LIMITED

Financial Adviser and Broker

VSA
capital

Notice of an Extraordinary General Meeting to be held at Cork International Hotel, Cork Airport Business Park, Co. Cork, Ireland on 20 December 2017 at 11.30 a.m. is set out at the end of this document. For Shareholders who hold Ordinary Shares in certificated form, a Form of Proxy for use at the Extraordinary General Meeting is enclosed which, if you wish to validly appoint a proxy, should be completed and signed in accordance with the instructions printed thereon, and returned by post to the Company's Registrars, Link Asset Services, Link Registrars Limited, P.O. Box 7117, Business Reply, Dublin 2, Ireland or by hand to Link Asset Services, Link Registrars Limited, 2 Grand Canal Square, Dublin 2, DO2 A342, Ireland as soon as possible but in any event so as to be received by the Company's Registrars no later than 48 hours before the time appointed for the Extraordinary General Meeting. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting, or any adjournment thereof, should you wish to do so.

Alternatively, for those Shareholders who hold Ordinary Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Link Registrars Limited (CREST participant ID 7RA08). In each case the proxy appointment must be received by no later than 11.30 a.m. on 18 December 2017. The completion and return of either an electronic proxy appointment notification or a CREST Proxy Instruction (as the case may be) will not prevent the Shareholder from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof, should the Shareholder wish to do so.

Northland Capital Partners Limited, which is authorised and regulated in the UK by the FCA, is acting as nominated adviser to the Company. Northland Capital Partners Limited will not be responsible to any person other than the Company for providing the protections afforded to its customers or for advising any other person on the contents of any part of this document. The responsibilities of Northland Capital Partners Limited as the Company's nominated adviser under the AIM Rules for Companies and AIM Rules for Nominated Advisers are owed solely to London Stock Exchange plc and are not owed to the Company or any Director or Shareholder or to any other person. In respect of any decision to acquire Ordinary Shares in reliance on any part of this document or otherwise, Northland Capital Partners Limited is not making any representation or warranty, express or implied, as to the contents of this document.

VSA Capital Limited, which is authorised and regulated in the UK by the FCA, is acting as broker to the Company. VSA Capital Limited will not be responsible to any person other than the Company and the Directors for providing the protections afforded to its customers or for advising any other person on the contents of any part of this document. In respect of any decision to acquire Ordinary Shares in reliance on any part of this document or otherwise, VSA Capital Limited is not making any representation or warranty, express or implied, as to the contents of this document.

This document contains forward-looking statements, including, without limitation, statements containing the words "believes", "expects", "estimates", "intends", "may", "plan", "will" and similar expressions (including the negative of those expressions). Forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by those forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in Part II of this document, entitled "Risk Factors". Given these uncertainties, prospective investors are cautioned not to place any undue reliance on those forward-looking statements. The forward-looking statements contained in this document are made on the date of this document, and, except as otherwise required by law or the AIM Rules for Companies, the Company, the Directors, Northland Capital Partners Limited and VSA Capital Limited are not under any obligation to update those forward- looking statements in this document to reflect actual future events or developments.

No legal, business, tax or other advice is provided in this document. Prospective investors should consult their professional advisers as needed on the potential consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence. This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful and, in particular, this document is not for distribution in or into the United States of America, Canada, Australia, the Republic of South Africa or Japan. The distribution of this document in other jurisdictions may be restricted by law. The Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States of America, Canada, Australia, the Republic of South Africa or Japan and, subject to certain exceptions, may not be offered, sold, re-sold, renounced, taken up or delivered, directly or indirectly, in, into or from the United States of America, Canada, Australia, the Republic of South Africa or Japan or to any national of the United States of America, Canada, Australia, the Republic of South Africa or Japan. This document should not be distributed, published, reproduced or otherwise made available in whole or in part, or disclosed by recipients to any other person, in, and in particular, should not be distributed to persons with addresses in, the United States of America, Canada, Australia, the Republic of South Africa or Japan. No action has been taken by the Company, Northland Capital Partners Limited or VSA Capital Limited that would permit an offer of Ordinary Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws or other laws of any such jurisdictions.

In making any investment decision in respect of Admission and/or the Placing, no information or representation should be relied upon in relation to Admission or in relation to the Ordinary Shares other than as contained in this document. No person has been authorised to give any information or make any representation other than that contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised.

It should be remembered that the price of securities and the income from them can go down as well as up and this document contains references to past performance of the Enlarged Group. Past performance is not a reliable indicator of future results.

There is information given in this document which relates to tax treatment. Tax treatment depends on the individual circumstances of each investor and is subject to change in the future.

A copy of this Document may be downloaded via the Company's website (www.eqtecplc.com) or inspected at the registered office of the Company (Building 1000, Citygate, Mahon, Cork, Ireland) or at the offices of McEvoy Corporate Law, 22 Fitzwilliam Place, Dublin 2, Ireland.

CONTENTS

		Page
DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS		1
DEFINITIONS		6
TECHNICAL GLOSSARY		12
EXPECTED TIMETABLE OF PRINCIPAL EVENTS		14
ADMISSION AND PLACING STATISTICS		15
PART I:	LETTER FROM THE CHAIRMAN OF EQTEC PLC	16
PART II:	INFORMATION ON EQTEC IBERIA	38
PART III:	RISK FACTORS	47
PART IV:	HISTORICAL FINANCIAL INFORMATION ON EQTEC PLC	56
PART V:	HISTORICAL FINANCIAL INFORMATION ON THE EQTEC IBERIA GROUP	57
	SECTION A: ACCOUNTANT'S REPORT	57
	SECTION B: HISTORICAL FINANCIAL INFORMATION	59
PART VI:	UNAUDITED INTERIM FINANCIAL INFORMATION ON THE EQTEC IBERIA GROUP	84
PART VII:	UNAUDITED PRO FORMA FINANCIAL INFORMATION	94
PART VIII	ADDITIONAL INFORMATION	97
NOTICE OF EXTRAORDINARY GENERAL MEETING		128

DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Directors	Dermot O'Connell *(Non-Executive Chairman)* Gerry Madden *(CEO & Interim Finance Director)* Brendan Halpin *(Executive Director)*
Proposed Directors	Ian Pearson *(Proposed Non-Executive Chairman)* Neil O'Brien *(Proposed Non-Executive Director)* Oscar Leiva *(Proposed Non-Executive Director)* Luis Sanchez *(Proposed CEO)* all of: Building 1000, Citygate, Mahon, Cork, Ireland
Company Secretary	Brendan Halpin
Corporate website	www.eqtecplc.com
Telephone number	+353 (0)21 2409056
Registered Office and Principal Place of Business	Building 1000 Citygate Mahon, Cork Ireland
Nominated Adviser and Joint Broker	Northland Capital Partners Limited 60 Gresham Street 4th Floor London EC2V 7BB
Financial Adviser and Joint Broker	VSA Capital Limited New Liverpool House 15-17 Eldon Street London EC2M 7LD
Auditor to the Company	Grant Thornton 24-26 City Quay Dublin 2, Ireland
Reporting Accountant	Crowe Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
Legal Advisers to the Company as to English law	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
Legal Advisers to the Company as to Irish law	McEvoy Corporate Law 22 Fitzwilliam Place Dublin 2, D02 R802, Ireland
Legal Advisers to the Company as to Spanish law	Cuatrecasas, Gonçalves Pereira LLP 125 Old Broad Street, 14th Floor London, EC2N 1AR

Legal Advisers to the Nominated Adviser and Broker	Marriott Harrison LLP 11 Staple Inn London WC1V 7QH
Financial Public Relations	Luther Pendragon 48 Gracechurch St London EC3V 0EJ
Registrars	Link Registrars Limited, trading as Link Asset Services 2 Grand Canal Square Dublin 2, DO2 A342 Ireland

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this document:

"Acquisition"	the proposed acquisition by the Company of the entire issued share capital of Eqtec Iberia pursuant to the terms of the Acquisition Agreement;
"Acquisition Agreement"	the conditional agreement dated 24 November 2017 made between (i) the Company and (ii) the Vendors relating to the Acquisition, details of which are set out in paragraph 12.1 of Part VIII of this document;
"Act" or the "Companies Act"	the Companies Act 2014 of Ireland;
"acting in concert"	shall bear the meaning ascribed thereto in the Takeover Rules;
"Admission"	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules;
"AIM"	the market of that name operated by the London Stock Exchange;
"AIM Rules"	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time;
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by the London Stock Exchange, as amended from time to time;
"Altair"	Altair Group Investment Limited;
"Articles"	the articles of association of the Company as adopted from time to time;
"AVA CO2"	AVA-CO2 Schweiz AG, part of AVALON Industries AG having its registered office at Baarerstrasse 20, 6300, Zug, Switzerland;
"Board"	the board of directors of the Company from time to time;
"Catfoss"	Catfoss Renewables Ltd., registered number 09175861, having its registered office at Tickton Hall, Tickton, Beverley, East Yorkshire, HU17 9RX, United Kingdom;
"certificated" or "in certificated form"	a share or other security not recorded on the relevant register of the relevant company as being in uncertificated form in CREST;
"Clear Days"	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"Collaboration Framework Agreement" and "CFA"	the collaboration framework agreement dated 26 May 2016 between Eqtec Iberia, EBIOSS and Energy China, further details of which are set out in paragraph 12.17 of Part VIII of this document;
"Company" or "Eqtec"	Eqtec plc, a company incorporated in Ireland under the Companies Act with registered number 462861;
"Consideration Shares"	the 833,864,531 Ordinary Shares to be issued to the Vendors pursuant to the Acquisition;

"Corporate Governance Code"	the UK Corporate Governance Code which sets out standards of good practice for listed companies on board composition and development, remuneration, shareholder relations, accountability and audit;
"CREST"	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares;
"CREST Regulations"	the Companies Act, 1990 (Uncertificated Securities) Regulations 1996 (SI 68/1996) of Ireland (as amended);
"Deferred Shares"	the 99,117,952 deferred convertible ordinary shares of €0.01 each in the Company, the 22,370,042 deferred ordinary shares of €0.40 each in the Company and the 75,140,496 deferred ordinary shares of €0.099 each in the Company, in each case having the rights set out in the Articles;
"Directors"	the directors of the Company as at the date of this document being Dermot O'Connell, Gerry Madden and Brendan Halpin;
"EBIOSS"	EBIOSS Energy SE, a company incorporate in Bulgaria with registered office address of 49 Bulgaria Blvd, Floor 11-12, Sofia 1404, Bulgaria;
"Ecofinance"	Ecofinance (GLI) Limited, a company incorporated in the United Kingdom having its registered office at 434 Finchley Road, London, NW2 2HY;
"EDF"	Electricite de France, a stock company having its registered offices at 22-30, avenue de Wagram – 75008 Paris Cedex 08, France;
"EIT"	European Institute of Innovation and Technology;
"Endesa"	Endesa SA, a public limited company majority owned (70.1 per cent.) by Italian Enel Iberoamerica SRL, having its registered address at Ribera del Loira 60, 28042, Madrid (Spain);
"Energy China"	China Energy Engineering Corporation Limited International Company, a company duly organised and existing under the laws of the People's Republic of China, with seat and business address at Building 1, No.26, Xiadawang Road Chaoyang District, Beijing 100022, P.R. China;
"Engie"	Engie, a stock company having its registered offices at 1, Place Samuel de Champlain, Faubourg de l'Arche, 92930, Paris la Défense, France;
"Enlarged Group"	the Group on Admission, as enlarged by the Acquisition;
"Enlarged Share Capital"	the issued share capital of the Company on Admission comprising the Ordinary Shares, the Consideration Shares and the Placing Shares;
"Eqtec Bulgaria"	EQTEC Bulgaria EOOD, a limited liability company incorporated in Bulgaria, with its registered office at 49 Bulgaria Boulevard, floor 11-12, 1404 Sofia;

"Eqtec Iberia"	Eqtec Iberia SL, a limited liability company incorporated in Spain with its registered office at Rosa Sensat 9-11, 5th Floor, 08005, Barcelona;
"Eqtec Iberia Group"	Eqtec Iberia and Eqtec Bulgaria;
"Eqtec Plant"	Eqtec Integrated Biomass Gasification Power Plant, which utilises Eqtec Iberia's Gasifier technology EGT;
"Extraordinary General Meeting" or "EGM"	the extraordinary general meeting of the Company to be held at Cork International Hotel, Cork Airport Business Park, Co. Cork, Ireland on 20 December 2017 at 11.30 a.m. and any adjournments thereof to be held for the purpose of considering and, if thought fit, passing the Resolutions;
"EU"	the European Union;
"Euroclear"	Euroclear UK & Limited, the operator of CREST;
"FCA"	the United Kingdom Financial Conduct Authority, the statutory regulator under FSMA responsible for the regulation of the United Kingdom financial services industry;
"Form of Proxy"	the form of proxy accompanying this document for use by Shareholders at the Extraordinary General Meeting;
"FSMA"	the UK Financial Services and Markets Act 2000, as amended, including any regulations made pursuant thereto;
"GBP" or "£" or "pence" or "p"	pounds sterling and pence, the lawful currency from time to time of the United Kingdom;
"General Electric"	GE Jenbacher GmbH & Co OG, registered number ATU57359405, having its registered office at Achensee Str. 1-3, Jenbach 6200, Austria and a wholly owned subsidiary of General Electric Company;
"Group"	the Company and the Subsidiaries;
"HMRC"	Her Majesty's Revenue and Customs;
"HNWI"	high net worth individual;
"Honeywell Combustion"	Honeywell Thermal Solutions (HTS), through its affiliate Maxon International BVBA, having its registered offices at Luchthavenlaan 16 1800 Vilvoorde, Belgium;
"IFRS"	international financial reporting standards;
"Inava"	Inava Ingenieria de Análisis SL, a limited liability company incorporated in Spain with its registered office at 13 Carrer de Garbí, 08150, Parets del Vallés, Barcelona, Spain;
"Ireland"	the Republic of Ireland;
"ISIN"	international security identification number;
"KIC InnoEnergy"	KIC InnoEnergy Poland Plus, registered NIP: 677-236-50-70, having its registered office at 84 Czerwone Maki Streed, 84 30-392 Kraków, Poland;

"Lock-in Deed"	the deed between the Company, Northland, VSA Capital and each of the Locked-in Parties, further details of which are contained in paragraph 12.5 of Part VIII of this document;
"Locked-in Parties"	together, Gerry Madden, the Proposed Directors, EBIOSS and Inava;
"London Stock Exchange"	London Stock Exchange plc;
"MOU"	memorandum of understanding;
"NBL"	Newry Biomass Limited, a private limited company by that name incorporated in Ireland, with its registered address office at 27 Patrick Street Newry Co Down BT35 8EB;
"Niramax"	Niramax Holdings Limited, a limited liability company incorporated in the United Kingdom, having its registered office at Niramax House Site 6-8, Tofts Farm Industrial, Hartlepool TS25 2BQ;
"Nominated Adviser Agreement"	the agreement dated 18 October 2017 between the Company and Northland, further details of which are set out in paragraph 12.3 of Part VIII of this document;
"Northland"	Northland Capital Partners Limited, the Company's nominated adviser and joint broker;
"Notice of Extraordinary General Meeting" or "Notice of EGM"	the notice convening the Extraordinary General Meeting set out on pages 128 to 129 of this document;
"Official List"	the Official List of the London Stock Exchange;
"Ordinary Shares"	the ordinary shares of €0.001 each in the capital of the Company;
"Panel"	the Irish Takeover Panel, established pursuant to the Irish Takeover Panel Act 1997;
"PBG Group"	PBG S.A, registered Tax ID: 777-21-94-746, having its registered at 35 Skórzewska Street, Wysogotowo k. Poznan, 62-081 Przeźmierowo, Poland;
"Placees"	proposed subscribers for Placing Shares at the Placing Price in the Placing;
"Placing"	the conditional placing of the Placing Shares at the Placing Price with Placees pursuant to the Placing Agreement;
"Placing Agreement"	the conditional agreement dated 24 November 2017 between the Company, Gerry Madden, the Proposed Directors, Northland and VSA Capital relating to the Placing, further details of which are set out in paragraph 12.2 of Part VIII of this document;
"Placing Price"	0.65 pence per Placing Share;
"Placing Shares"	the 246,153,847 Ordinary Shares to be issued by the Company and subscribed for by Placees pursuant to the Placing, conditional on Admission;
"PLN"	Polish Zloty;

"Polygen" and "Polygen Project"	Polygen is a project to build a plant for the generation of synthetic natural gas (SNG), electricity and heat from alternative fuels such as waste sludge, solid urban waste (MSW) and biomass. The project is composed by a consortium and has the financial support from KIC InnoEnergy;
"Proposals"	the Acquisition, the Placing, the Consolidation and Admission;
"Proposed Directors"	Ian Pearson, Neil O'Brien, Oscar Leiva and Luis Sanchez;
"Prospectus Rules"	the Prospectus Rules made by the FCA pursuant to Part VI of FSMA;
"QCA Guidelines"	the Corporate Governance Code for Small and Mid-Size Quoted Companies, as published by the Quoted Companies Alliance;
"Rafako"	Rafako S. registered holding NIP 6390001788, having its registered office at 33 Łąkowa Street, 47-400 Racibórz, Poland;
"Registrar"	Link Registrars Limited, trading as Link Asset Services;
"Relationship Agreement"	the relationship agreement dated 24 November 2017 made between the Company, Northland, VSA Capital, EBIOSS and Inava; further details of which are set out in paragraph 14 of Part I and paragraph 12.6 of Part VIII of this document;
"Reliable Energy" or "Reliable"	Reliable Energy Solutions Limited, a limited liability company incorporated in United Kingdom, having its registered office at 20-21 Aviation Way Southend Essex SS2 6UN;
"Resolutions"	the resolutions to be proposed at the Extraordinary General Meeting, details of which are set out in the Notice of EGM;
"RIS"	Regulatory Information Service;
"Rule 3 Adviser"	Northland Capital Partners Limited;
"Sense Esco"	Sense Esco Limited, having its registered offices at Draškovićeva 53, 10000 Zagreb;
"Shareholders"	holders of Ordinary Shares in the Company from time to time;
"Siemens"	Siemens AG, a stock company having its registered office at Wittelsbacherplatz #2, Munich, Germany;
"SOE"	state-owned enterprise;
"Subsidiaries"	the subsidiaries of the Company from time to time, "subsidiary" being as defined in section 7 of the Act;
"Takeover Rules" or the "Irish Takeover Rules"	the Irish Takeover Panel Act 1997, Takeover Rules 2013;
"Tauron"	Tauron Polska Energia S.A, having its registered office at Piotra Ściegiennego 3 (Katowice Business Point) 40-114 Katowice (Poland);
"Transwaste"	Transwaste Recycling and Aggregates Limited, a limited liability company incorporated in United Kingdom, having its registered office at Melton Waste Park Gibson Lane, Melton, East Yorkshire, HU14 3HH;

"uncertificated" or "in uncertificated form"	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland;
"VAT"	value added tax;
"Vendors"	the vendors of the entire share capital of Eqtec Iberia pursuant to the Acquisition, being EBIOSS and Inava;
"VSA Capital"	VSA Capital Limited, the Company's joint broker;
"Warrants"	the existing outstanding rights to subscribe for Ordinary Shares, details of which are set out in paragraph 9.2 of Part VIII of this document;
"WBA"	World Bioenergy Association;
"Zebec"	Zebec Energy Limited, a limited liability company incorporated in the United Kingdom having its registered office at Alexander Stephen House, 91 Holmfauld Rd, Glasgow G51 4RY, United Kingdom;
"xGATE Consortium"	among others: KIC InnoEnergy, KTH Royal Institute of Technology, Universität Stuttgart, Karlsruher Institut für Technologie, European Institute for Energy Research, AVA-CO2 Schweiz AG and Eqtec Iberia; and
"xGATE project"	an R&D project that develops an integrated plant for the production of electrical and thermal energy from waste, by means of the combination of two technologies: the Hydrothermal Carbonization (HTC) of waste and the thermo-chemical gasification of the bio-carbon obtained in the HTC process.

TECHNICAL GLOSSARY

"AD technology"	Anaerobic Digestion technology;
"CfD"	Contract for Difference, a private law contract between a low carbon electricity generator and the Low Carbon Contracts Company, a government-owned company. A generator party to a CfD is paid the difference between the 'strike price' – a price for electricity reflecting the cost of investing in a particular low carbon technology – and the 'reference price'– a measure of the average market price for electricity in the market. It gives greater certainty and stability of revenues to electricity generators by reducing their exposure to volatile wholesale prices, whilst protecting consumers from paying for higher support costs when electricity prices are high;
"CHP"	Combined Heat and Power;
"DSL"	Digital Subscriber Line;
"EfW"	Energy from waste, a renewable energy technology that recovers energy from waste;
"EGT"	Eqtec Gasifier Technology, Eqtec Iberia's advanced conversion technology;
"EKM"	Eqtec Kinetic Model;
"EMP"	Eqtec Monitoring Platform;
"EPC"	Engineering, Procurement, and Construction" (EPC) is a particular form of contracting arrangement used in some industries where the EPC Contractor is made responsible for all the activities from design, procurement, construction, to commissioning handover of the project to the End-User or Owner;
"FGD"	Fuel-Gas desulfurization;
"FIT"	Feed In Tariff, a tariff applied to small-scale generation of electricity using eligible renewable technologies;
"Gate Fee" or "Tipping fee"	is the charge levied upon a given quantity of waste received at a waste processing facility;
"GW"	Gigawatt, a unit of electric power equal to one billion watts or one thousand megawatts;
"HTC"	Hydrothermal carbonization;
"IBGPP"	integrated biomass gasification cogeneration power plant;
"IC"	Internal Combustion;
"Kg/h"	Kilogram per Hour;
"Ktoe"	Kilotonne of Oil Equivalent, a unit representing energy generated by burning one thousand metric tonnes or 7142.8 barrels of oil;
"KW"	Kilowatt. One thousand watts;
"KWe"	Kilowatt-electric. One thousand watts of electric capacity;

"KWh"	Kilowatt hour. A composite unit of energy equivalent to one kilowatt (1 kW) of power sustained for one hour;
"m3/h"	Cubic Meter per Hour;
"MRF"	Material Recovery Facility;
"MSW"	Municipal Solid Waste;
"MW"	Megawatt. One million watts;
"MWe"	Megawatt electric; electric output of a power plant in megawatts. The electric output of a power plant is equal to the thermal overall power multiplied by the efficiency of the plant;
"MWth"	Megawatt Thermal;
"Ofgem"	the government regulator for gas and electricity markets in Great Britain;
"O&M"	All actual cash operation and maintenance costs relating to projects or any portion thereof, as set out in an O&M Contract, incurred or payable by any project company in any particular calendar or Fiscal Year or other period to which the term is applicable;
"PC boiler"	Pulverised Coal boiler;
"RDF"	Refuse Derived Fuel, fuel produced from various types of wastes such as MSW, industrial wastes or commercial wastes;
"RES"	Renewable Energy Source;
"RO"	Renewables Obligation, a quota scheme, that led to the only publicly subsidised electricity investments in the UK after the 1989 privatisation era;
"ROC"	Renewable Obligation Certificate;
"SCR"	Selective Catalytic Resuction;
"SNG"	Synthetic Natural Gas;
"SRF"	Solid Recovered Fuel or Specified Recovered Fuel;
"SPV"	Special Purpose Vehicle;
"Syngas"	Synthesis Gas, is a fuel gas mixture consisting primarily of hydrogen, carbon monoxide, and very often some carbon dioxide;
"TWh"	Terawatt-hour, a measure of electrical energy, 10^{12} watt-hours; and
"Watt"	a derived unit of power in the International System of Units as defined as 1 joule per second and can be used to quantify the rate of energy transfer.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2017
Publication of this document	27 November 2017
Latest time and date for receipt of Forms of Proxy and receipt of electronic proxy appointments via the CREST system	11.30 a.m. on 18 December 2017
Time and date of Extraordinary General Meeting	11.30 a.m. on 20 December 2017
Last day of trading of the Ordinary Shares on AIM	14 July 2017
Acquisition Agreement unconditional, Admission effective and commencement of dealings in the Enlarged Share Capital on AIM	21 December 2017
CREST accounts to be credited with Ordinary Shares (where applicable)	6.00 p.m. on 20 December 2017
Dispatch of definitive share certificates in respect of Ordinary Shares in certificated form	By 4 January 2018

All future times and/or dates referred to in this document are subject to change at the discretion of the Company, Northland and VSA Capital and if any of the above times or dates should change, the revised times and/or dates will be notified by an announcement on RIS. All times are UK times unless otherwise specified.

Events listed in the above timetable following the Extraordinary General Meeting are conditional on the passing at the Extraordinary General Meeting of the Resolutions.

ADMISSION AND PLACING STATISTICS

Number of Ordinary Shares at the date of this document	185,303,229
Placing Shares	246,153,847
Consideration Shares	833,864,531
Enlarged Share Capital on Admission	1,346,090,838
Placing Shares as a percentage of the Enlarged Share Capital	18.3 per cent.
Consideration Shares as a percentage of the Enlarged Share Capital	61 per cent.
Placing Price	0.65 pence
Market capitalisation of the Company at the Placing Price on Admission	£8.7 million
Gross proceeds of the Placing	£1.6 million
Estimated net proceeds of the Placing	£1.0 million
Number of Options in issue at Admission	67,304,542
Number of Warrants in issue at Admission	226,015,894
AIM symbol	[EQT]
ISIN for Ordinary Shares	IE00BH3XCL94

The above statistics assume the passing at the Extraordinary General Meeting of the Resolutions and Admission

PART I

LETTER FROM THE CHAIRMAN OF EQTEC

Eqtec plc

(Incorporated in Ireland under the Companies Act 2014 with registered number 462861)

Directors:	*Registered Office:*
Dermot O'Connell *(Non-Executive Chairman)*	Building 1000
Gerry Madden *(CEO & Interim Finance Director)*	Citygate,
Brendan Halpin *(Executive Director)*	Cork, Ireland

Proposed Directors:

Ian Pearson *(Proposed Non-Executive Chairman)*
Neil O'Brien *(Proposed Non-Executive Director)*
Oscar Leiva *(Proposed Non-Executive Director)*
Luis Sanchez *(Proposed CEO)*

27 November 2017

To Shareholders and, for information only, to the holders of Warrants

Dear Shareholders,

Proposed acquisition of Eqtec Iberia

Proposed placing of 246,153,847 Ordinary Shares at 0.65p per share

Admission of the Enlarged Share Capital to trading on AIM

and

Notice of Extraordinary General Meeting

1. INTRODUCTION

The Board is pleased to inform Shareholders that terms have been agreed for the proposed acquisition of the entire issued share capital of Eqtec Iberia, an engineering company founded in 1997 and headquartered in Barcelona (Spain) specialising in the design, construction, operation and maintenance of power plants. Eqtec Iberia is 66.99 per cent. owned by EBIOSS, which currently also holds 50.03 per cent. of Eqtec plc, and 33.01 per cent. owned by Inava, a company owned by certain employees of Eqtec Iberia (including Luis Sanchez).

The total consideration for the Acquisition is £14 million which will be satisfied by the issue of 833,864,531 Ordinary Shares on Admission. In addition, in order to fund the working capital needs of the Enlarged Group and the continued development of its near term pipeline the Company is undertaking an institutional Placing to raise £1.6 million (before expenses) by the issue of the Placing Shares. Given the scale of the Acquisition, when compared to the existing Group, the transaction is a reverse takeover under the AIM Rules and therefore requires the Company to issue this new admission document and obtain Shareholder approval for the Acquisition. Under the Irish Takeover Rules (Rule 40) it is also a Reverse Takeover requiring that a circular be posted to Eqtec shareholders. Accordingly, the Acquisition is conditional, *inter alia*, on the approval by Shareholders of the Resolutions to be proposed at the Extraordinary General Meeting, which is being convened for 11.30 a.m. on 20 December 2017, notice of which is set out at the end of this document.

The Company has also today announced its results for the year ended 30 June 2017.

Information on EBIOSS

EBIOSS is an industrial group and is involved in the engineering, construction, operation and maintenance of waste-to-synthesis gas plants based on its proprietary gasification technology, the EQTEC Gasifier

Technology (known as EGT), by which different types of waste are transformed into synthesis gas. This technology on waste gasification has made possible the design, construction and/or operation of biomass and waste gasification plants in Spain, France, Germany, India, Italy and Bulgaria among other countries, for third party international energy groups and for use by EBIOSS itself which is quoted on the Mercado Alternativo Bursátil ("MAB") market of the Bolsas y Mercados Españoles, the alternative market of the Spanish Stock Exchange. EBIOSS is also present in the waste management market, where it delivers different type of smart solutions for waste collection and management.

EBIOSS was incorporated in 2011 and is headquartered in Sofia, Bulgaria. EBIOSS is the holding company of the EBIOSS group companies, which specialise in waste to energy projects and waste management solutions. EBIOSS was admitted to trading on MAB on 5 July 2013.

The principal activities of EBIOSS are:

(i) EQTEC Gasifier Technology (EGT) Design, Delivery & Operation and Maintenance ("O&M") Services of gasification power plants. Such activity is carried out by the Spanish subsidiary of EBIOSS, EQTEC Iberia, and is based on its proprietary patented technology, the EQTEC Gasifier Technology.

(ii) Advanced Waste Management Solutions: This activity is carried out by EBIOSS's Portuguese subsidiary Winttec. Winttec is a technology and innovation company with a presence in different countries and a strong market presence in Europe that has been built up over the last 10 years. Its main focus is on developing solutions for the efficient management of waste containers in urban areas. Winttec was acquired in 2014 by EBIOSS in order to provide it with access to the first stage of the municipal solid waste value cycle. Waste collection is a strategic part of the valorisation cycle.

(iii) Waste Recovery: carrying-out certain "upstream" ancillary and incidental activities to the above Technology Design, Delivery and O&M Services, including the management, supply, storage and pelletisation of combustible materials for use in gasification power plants. Pellets are produced in factories located in Bulgaria and are sold both domestically and internationally. EBIOSS has been operating a major contract with the largest straw providers in Bulgaria to produce pellets.

EQTEC Iberia and the EQTEC Gasifier Technology

In late 2012, EBIOSS acquired Spanish registered company, EQTEC Iberia- an engineering company specialising in the design, construction, operation and maintenance of cogeneration plants and electricity power, gasification power plants and renewable energy. EQTEC has developed the EQTEC Gasifier Technology which the Company intends to install in its Newry biomass plant. EQTEC Iberia has implemented over 60 power plant projects involving electricity and/or heat generation, with capacities ranging from 60kW to 10 MW. EQTEC has developed and is currently involved with projects in the UK, Spain, Portugal, India, France, Germany, Italy and Bulgaria.

Inava is a holding company without activity, only holding shares of Eqtec Iberia and EBIOSS. None of the shareholders of Inava holds any shares in the Company. None of the shareholders of Inava holds any significant number of shares in EBIOSS.

Background on the Company

The Company was established with a view to take advantage of the growing opportunities in the clean energy sector and is now a diversified renewable energy company with assets in the UK and Ireland. The Company, to this point, has focused on projects in the biomass, electricity and heat sector in the UK. The Company also has assets in the wind sector in Ireland and has focused on the delivery of projects from green field opportunities, through the planning, grid and construction phases and into cash generating assets.

Acquisition Rationale

The Directors and Proposed Directors believe that the Acquisition represents a transformational step in refocusing the Company's strategy into the EfW market in the UK and Europe. Pursuant to the Acquisition the Enlarged Group would combine Eqtec Iberia's patented gasification technology along with a strong pipeline of projects and solid relationships with some of the global market leaders in the energy sector. Together with a combined experienced management team, resulting from the Acquisition, and solid knowledge of the UK and Europe renewable energy marketplace, it will place the Enlarged Group in an advantageous position to become a leading technology provider in the EfW sector using its progressive energy recovery technology.

The Proposals

In conjunction with the Acquisition, the Company is proposing to raise approximately £1.6 million, before expenses, through the issue of the Placing Shares at the Placing Price. The Placing Shares will represent approximately 18 per cent. of the Enlarged Share Capital on Admission. The Placing and the Acquisition are conditional upon, *inter alia*, the Resolutions being passed at the Extraordinary General Meeting and Admission. On Admission, the Company will have a market capitalisation of approximately £8.7 million based on the Placing Price. Further details about the Placing are set out in paragraph 9 of this Part I.

If the Resolutions are passed at the Extraordinary General Meeting and the other conditions set out in the Acquisition Agreement and the Placing Agreement are met, it is expected that the Enlarged Share Capital will be admitted to trading on AIM with effect from 8.00 a.m. on 21 December 2017.

The Directors and the Proposed Directors consider the Acquisition to be an excellent opportunity for the Group and in the best interests of the Company and Shareholders as a whole. Accordingly, the Directors recommend unanimously that Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting as they have irrevocably undertaken to do so in respect of their beneficial holdings of Ordinary Shares.

Shareholders should note that the Resolutions are inter-conditional and consequently if any of the Resolutions are not passed, the Proposals will not occur and the Ordinary Shares will continue to be admitted to trading on AIM.

The purpose of this document, which comprises an Admission Document prepared under the AIM Rules, is to provide you with information on the Proposals, including the information required by Rule 40.2 of the Irish Takeover Rules. You should read the whole of this document and your attention is drawn in particular to the risk factors set out in Part III of this document.

Section 1111 of the Companies Act requires the directors of a company to convene an extraordinary general meeting of its shareholders where its net assets are half or less of its called-up share capital, as is the case with the Company. Accordingly, the EGM will also address the requirements of Section 1111 of the Companies Act.

2. INFORMATION ON EQTEC IBERIA

Eqtec Iberia is a Spanish technology and engineering company founded in 1997 headquartered in Barcelona specialising in the design, construction, operation and maintenance of power plants. It is a subsidiary of EBIOSS, a Spanish Mercado Alternativo Bursátil listed company (EPIC: EBI), with business operations in waste to energy and waste management areas. The main business areas of Eqtec Iberia are:

- biomass and waste gasification;
- cogeneration plants.

Eqtec Iberia also provides operation and maintenance services to customers where required.

The original strategy of Eqtec Iberia was focused on EPC services, and maintenance for CHP plants using fuels such as natural gas or diesel. Originally, this represented a major part of the operations of Eqtec Iberia, with more than 70 power plants delivered and an excess of 400 MWth of capacity.

Since its inception, Eqtec Iberia has operated an innovative R&D programme in biomass and waste thermochemical gasification that has allowed the company to develop its proprietary highly efficient gasification technology ("EGT") over a 20-year period with over 70,000 operating hours. Since 2015, Eqtec Iberia has generated more than 95 per cent. of its revenue by selling EGT to its partners and clients to utilise its technology.

Eqtec Iberia has designed or constructed more than 70 power plants, with capacities ranging from 60 KWe to 35.6 MWe. It has constructed gasification plants in Spain, Italy, Croatia and Bulgaria and operates a gasification R&D plant in France with EDF Energy ("EDF").

The gasification of waste is a process technology that is designed and operated in order to produce a synthesis gas ("Syngas") through the thermo-chemical conversion of carbonaceous materials. EGT is based on a bubbling fluid bed gasifier and is fueled with solid biomass or waste enabling the technology to convert RDF into thermal and electrical energy.

Over the years Eqtec Iberia has obtained patents for its technology, as well as established knowhow, field data, and test data. Eqtec Iberia possess valuable gasification technology which is coupled to IC gas engines, where it has achieved thousands of operational hours in many cases together with General Electric (GE Jenbacher) as provider of the gas engines. This track record is supported by a revenue stream derived from the sale of the proprietary technology delivering Energy from Waste solutions.

Whilst competition exists in the industry, new entrants to the market face many barriers, not least the costs and challenges associated with developing the technology, compliance issues and the critically important building of relationships with partners including waste project developers, waste suppliers, EPC providers, key suppliers and project debt and equity providers.

Eqtec Iberia has continued to invest in the development of EGT as well as deploying plants throughout Europe. Having taken a number of gasification sites through the demonstration, pilot and fully commercial stages, Eqtec Iberia is working on a project pipeline to focus the Enlarged Group on this gasification technology.

Summary Financial Information on Eqtec Iberia

Currency: €'000s	*Audited 12 months ended 31 December 2014*	*Audited 12 months ended 31 December 2015*	*Audited 12 months ended 31 December 2016*
Revenue	13,284	6,862	2,795
Cost of sales	(10,368)	(5,079)	(2,494)
Gross profit	2,916	1,783	301
GP%	21.95%	25.98%	10.76%
Overheads	(1,538)	(1,887)	(1,865)
Overprovisions	83	16	(1)
Other income	96	129	202
Profit/(loss) from operating activities	1,557	42	(1,363)
Net finance (expense)/income	(23)	2	(10)
Exchange and other losses	–	(11)	–
Profit/(loss) before tax	1,534	32	(1,373)
Taxation	(238)	24	327
Profit/(loss) after tax	1,296	56	(1,046)

Turnover from 2014 to 2016 comprised sales of EGT equipment to plants that used biomass such as wood and straw as a feedstock. During 2014 Eqtec Iberia and its parent EBIOSS commenced strategic partnership discussions with the Company. These discussions together with its own review of its business model led Eqtec Iberia to concentrate its efforts on building a pipeline of projects in the UK and elsewhere that used RDF derived from Municipal Solid Waste as a fuel. This change in strategy led to a reduction in sales of EGT equipment and services to biomass based projects and an allocation of resources to building up a presence in the waste to energy sector in the UK which has culminated in its current near term pipeline set out in paragraph 7 of this Part I.

3. REASONS FOR THE ACQUISITION

Background to the Acquisition

The World Bioenergy Association's report on Energy Recovery from Waste dated July 2017 states that the annual global waste generation accounts for 7-10 billion tonnes in total, out of which approximately two billion tonnes are categorised as Municipal Solid Waste.

This report sets out that the advantages of using an energy recovery from waste system are:

- it reduces the volume of waste by up to 96 per cent.;
- the production of heat and electricity along with solid waste management;
- improved sanitation, lower risk of contamination and diseases; and
- a positive impact on climate change.

Waste to energy plants that use Eqtec Iberia's technology require the use of a material recovery facility to prepare waste materials for re-use and recycling. What is left over after re-use and recycling is the fraction of the waste known as RDF from which energy is recovered using Eqtec Iberia's process. This differentiates Eqtec Iberia's technology from that of mass incinerators, where all waste is burned together, so no re-use and recycling can be achieved.

Market and public perception considers incineration or combustion an inefficient and pollutant technology and considers gasification a progressive advanced technology, with high efficiency, and lower emissions.

The fuel that is used in the EGT conversion process is refuse derived fuel. RDF is a fuel produced from various types of wastes such as MSW, industrial wastes or commercial wastes. It is estimated that Eqtec Iberia's current UK project pipeline would consume c. 400,000 tonnes per annum of RDF.

Saturation of landfills and lack of domestic incineration and gasification capacity is requiring the UK to outsource UK waste to European incinerators. Over 3 million tonnes of RDF (80-85 per cent. of UK's RDF production) is currently shipped annually from the UK. No RDF was outsourced from the UK prior to 2010. In addition to the economic loss of gate fee revenue to the UK economy there is an associated cost to this export strategy in the range of £80 to £90 per tonne. This is a potential energy source that is being exported due to a lack of conversion capacity and that represents an opportunity for economic, environmentally friendly waste processing plants in the UK that will potentially undercut the cost of shipping waste to continental processors. It is the intention of the Enlarged Group to create shareholder value by offering a solution to this increasing problem.

The need therefore exists to construct plants that use a highly efficient, regulatory compliant technology which eliminates waste streams and recovers energy close to the origin of the waste.

EGT converts biomass and waste into a Syngas which can power a gas turbine or gas engine to generate electricity. Thanks to this patented technology, the Enlarged Group will have an opportunity to benefit from helping to eliminate the costs associated with this export strategy and, through energy recovery from the waste, generate revenues. This can also help deliver low carbon energy in a cost-effective way and as a non-intermittent source that helps provide energy security.

Strategic benefits of the Acquisition

The Board therefore believes the Acquisition is a positive step for the Company because:

- Eqtec Iberia has a highly efficient and highly compliant proprietary gasification technology;
- it will result in an Enlarged Group with solid experience in the EfW sector;
- it will result in a strong experienced management team with complementary skill sets;
- it will secure a pipeline of projects in the UK and mainland Europe;
- it secures existing relationships with Energy China (a Global Fortune 500 company), and some of the foremost companies in the energy sector like General Electric, EDF, Engie (GDF Suez) and Endesa (Enel Group); and
- it will give the Company the benefit of the CFA signed in May 2016 between Eqtec Iberia, EBIOSS and Energy China which sets out the objectives and parameters surrounding the completion of EfW projects in the UK through which Energy China would be responsible for the construction and obtaining funding for projects in the UK that use EGT through EPC contracts.

4. PRINCIPAL TERMS OF THE ACQUISITION

Under the terms of the Acquisition Agreement, the Company has conditionally agreed to acquire the entire issued share capital of Eqtec Iberia for a consideration of £14 million at the suspension price, to be satisfied in full by the issue of the Consideration Shares to the Vendors on completion of the Acquisition (which takes place on Admission). The Acquisition Agreement is conditional, amongst other things, on the passing of the Resolutions and Admission becoming effective on or before 21 December 2017 (or such later date as the parties agree in writing).

The Acquisition Agreement contains customary warranties and indemnities from the Vendors in favour of the Company together with warranties from the Company to the Vendors.

The parties have agreed certain limitations on their potential liability for breaches of the agreement, including breach of warranty, as well as under the indemnities. In particular, the liability of the Vendors and the Company are limited to the value of the Consideration Shares. In addition, any claim in respect of a breach of the Acquisition Agreement (including a breach of warranty other than a claim against the Vendors for breach of a tax warranty) must be made on or before whichever is the earlier of (i) the second anniversary of the date of the Acquisition Agreement; and (ii) the date being three months after the publication of the audited consolidated accounts of the Company in respect of the financial year ending 31 December 2018.

The Vendors also have the option of satisfying a successful claim by the Company for a breach of warranty by selling Consideration Shares back to the Company for an aggregate consideration of €1.00. The number of Consideration Shares to be bought back by the Company shall be determined by dividing the amount of the successful claim by the price at which the Consideration Shares are to be issued pursuant to the Acquisition, being 0.65 pence. The option of the Vendors to satisfy warranty claims by selling Consideration Shares back to the Company is subject to certain conditions including:

(i) the relevant Vendor having duly served a sale notice on the Company within the period of 30 days following a successful claim arising; and

(ii) Shareholders having approved the potential buy-back of the Consideration Shares at the EGM (which is also a condition to completion of the Acquisition).

Further details of the Acquisition Agreement are set out in paragraph 12.1 of Part VIII of this document.

5. INFORMATION ON EQTEC PLC AND THE MARKET

The Company is a clean energy project developer and operator and has, to this point, focused on the UK and Ireland markets. The Company seeks to take projects from “Greenfield” (greenfield land) to “Shovel Ready” stage (projects where planning and development is advanced enough that, subject to sufficient funding, construction can begin within a very short time frame) with turnkey construction contracts and financial packages in place. Debt and equity partners are then sought to fund the construction phase in return for a share of the project equity.

The Company develops and builds projects currently using biomass, wood and waste wood as the sustainable fuel source. The core focus has been on converting biomass or wood into clean electricity and heat. This was based primarily on the technology available to convert the fuel into power and in addition driven by the level of government subsides available specifically for biomass fuel and the relevant conversion technology.

A strategic review conducted by the Company in 2016 concluded that the uncertainty surrounding the electricity market and support mechanisms for renewable energy projects in the UK meant that the Company should amend its business model to focus on the Energy from Waste market using a gate fee revenue model. Access to a proprietary energy recovery technology was considered a strategic imperative.

Relationship with EBIOSS

In February 2017, the Shareholders voted to strengthen ties with EBIOSS by approving a €5.15 million debt-for-equity conversion of amounts owed by the Company’s 50.02 per cent. subsidiary, NBL, to EBIOSS for equipment purchase by NBL and owned by the Company under a loan facility with EBIOSS which was entered into on 8 January 2016 and which was amended on 12 December 2016. This resulted in EBIOSS becoming a 50.03 per cent. shareholder in the Company. EBIOSS converted all of the outstanding debt and accrued interest of, in aggregate, approximately €920,000 drawn under its loan facility.

Global Energy from waste market size outlook

The amount of waste generated is expected to double from 2013 to 2025 and the Waste from Energy Market size is anticipated to reach $35.5 billion globally by 2024. In addition to this, the world’s demand for electricity will potentially lift the electricity requirement by over 70 per cent. by 2040.

Overview of the UK Renewable Energy Market

The UK developed its renewable energy sector based on the Renewables Obligation ("RO"), a quota scheme, which led to the only publicly subsidised electricity investments in the UK after the 1989 privatisation era. In 2010, the UK government also introduced the FIT scheme for supporting small scale low-carbon installations up to a maximum capacity of 5MW.

Post 2014, the UK's electricity sector is now governed by the Electricity Market Reform, under which, electricity investments are publicly subsidised with the fossil-fuel sectors receiving subsidies by way of the capacity market and the renewable energy sector by way of the CfD scheme. Having announced the closing of the RO Scheme, the last projects, under the RO Scheme which needed confirmation of a "grace period" from Ofgem, must be completed before 31 March 2018. The UK government published, in March 2017, a Budget Notice. This set an overall budget for total support payments for projects delivered in the two years from the middle of 2021 to 2023 and also set out strike prices for the various less well established technologies including advance conversion technologies, such as advanced gasification.

Overview of the UK Energy from Waste market

The UK has, over the past 10 years, seen a transformation in its management of household waste. This has been most marked within local authorities as they make the transition from landfill to recycling/composting and energy recovery.

Recycling rates increased from c. 10 per cent. in 2000 to 44 per cent. in 2015 as the UK looks to meet its 50 per cent. by 2020 target under the EU Waste Framework Directive.

The waste market is now moving towards what is termed 'merchant' projects. These are waste to energy projects which utilise private, specialist fuel supply such as RDF, MSW, commercial and industrial waste and waste wood. RDF or SRF is a fuel produced by shredding and dehydrating MSW with a waste converter technology. In addition, these merchant projects tend to utilise advanced conversion technologies and include specialist sub sectors, like advanced gasification.

Advanced gasification is a process that converts organic or fossil based carbonaceous materials at elevated temperatures with controlled amounts of oxygen into carbon monoxide, hydrogen, carbon dioxide and methane gases, which can ultimately be used for power generation. It is a well-known technology, and its advanced use with mixed waste feedstock is continually developing. By its nature "energy from waste" bridges two sectors both of which are evolving. It has its roots firmly in waste management but is becoming of increasing importance to energy generation.

Waste management is changing to be much less about how society disposes of things it no longer wants and more about managing discarded resources back into the economy. Likewise, energy generation is evolving to make best use of renewables, novel fuels and different energy outputs always with an eye to energy security. The need to meet 2020 landfill diversion targets for biodegradable waste has been a major driver for waste policy and infrastructure development in the UK over the last 10 years. The landfill tax is a key instrument to meeting the target along with other policies and initiatives. There are wider societal and environmental benefits associated with energy generation and use that will drive energy policy and impact on EfW. EfW in particular has the potential to deliver low carbon energy in a cost-effective way and as a non-intermittent source, helps provide energy security. By choosing the right location, the right technology and the right processing, EfW can help to deliver much needed long-term affordable, low carbon and secure energy.

The term 'energy from waste' covers a range of different processes and technologies and describes a number of treatment processes and technologies used to generate a usable form of energy and which also reduce the solid volume of residual waste. This energy can be in the form of electricity, heating and/or cooling or a combination of these forms. Conversion treatments are processes which convert residual waste or RDF/SRF into a more useable form of energy such as heat or electricity. These processes include gasification such as EGT owned by Eqtec Iberia. EGT can operate economically over a wide range of inputs and is therefore flexible and has the potential to generate greater efficiencies through a range of outputs.

The UK faces a potential energy gap, with the margin of supply over demand expected to diminish. The closure of coal power stations and the scheduled closure of old nuclear facilities has not been matched by the construction of replacement new-build nuclear sites and/or other power station facilities.

Waste derived renewable electricity from thermal combustion in England is forecast to grow from the current 1.2 TWh to between 3.1 TWh and 3.6 TWh by 2020.

Overview of the Croatia Renewable Energy market

Croatia satisfies its electricity needs largely from hydro and thermal power plants, and partly from the Krško nuclear power plant, which is co-owned by Croatian and Slovenian state-owned power companies.

The Energy Act 2012, which defines energy policy and energy development, and the Electricity Market Act, last amended in 2013 together regulate activities in the electricity market (e.g. generation, transmission and distribution) and prescribes what constitutes energy policy and energy development within Croatia. These are the principal pieces of legislation which regulates the electricity market in Croatia.

In accordance with EU Directive 2009/28/EC (so called the Renewable Energy Directive), adopted through the National Action Plan for RES, Croatia committed itself to a national binding target of 20 per cent. share of renewable energy in the gross final energy consumption by 2020 (EC, 2012).

In 2012 Croatia reached an RES share of 12.5 per cent. The main renewable source is hydropower representing c. 51 per cent. of total renewable energy consumption that in 2012 amounted to 1009 ktoe.

The Tariff System for Electricity Production from Renewable Energy Sources and Combined Heat and Power, last amended in 2013, determines the FIT for eligible renewable energy producers. FIT contracts are for periods of 14 years and depend on the technology and efficiency. Costs of the FIT mechanism are shifted to the final electricity consumers.

The access of electricity from RES to the grid is regulated by the general legislation on energy and RES installations are given priority.

Up to 60 per cent. of the investment in renewable energies can be subsidised by EU funds and grants. Furthermore additional national support schemes like preferential loans and subsidies are provided by the Croatian Bank for Development and Reconstruction and the Environmental Protection and Energy Efficiency Fund.

The waste to energy sector is unexploited in the whole Adriatic region. Croatia is reforming its waste management sector. The country generates an estimated 1.4 million tons per year of municipal solid waste, equivalent to 327 kg per capita annually for 4.4 million inhabitants, or an average of 0.90 kg per capita per day. Out of the 17,500 existing biogas plants in Europe, only 12 are based in Croatia and three in Serbia.

Financial information on Eqtec plc.

The financial information set out below has been extracted without material adjustment from the consolidated historical financial information on the Group for the three financial years ended 30 June 2017 as referenced in Part IV of this document:

Currency: €'000s	*Audited 12 months ended 30 June 2015*	*Audited 12 months ended 30 June 2016*	*Audited 12 months ended 30 June 2017*
Revenue	280	46	41
Cost of sales	(10)	–	–
Gross profit	270	46	41
Operating Expenses	(76)	(1,068)	(1,298)
Profit/(loss) from continuing operations	194	(1,022)	(1,257)
Net finance (expense)/income	(285)	(560)	(560)
Share of losses on joint ventures after tax	–	–	–
Profit/(loss) before tax	(91)	(1,582)	(1,817
Taxation	–	–	–
Profit/(loss) from discontinued operations	5,410	42	25
Profit/(loss) after tax	5,319	(1,540)	(1,792)

This information refers to past performance. Past performance is not a reliable indication of future results. Further information on Eqtec plc can be found in Part IV of this document.

6. STRATEGY OF THE ENLARGED GROUP

The Enlarged Group's business model will involve sourcing and providing assistance in developing waste elimination projects to which it will ultimately sell its technology and O&M services.

It will source projects that have a local supply of waste in need of conversion. It will build relationships and bring together the developers, the waste owners, the building contractors and funders and provide the technology and engineering services to the projects. Furthermore, the Enlarged Group will provide O&M services to the operating projects generating recurring revenues over the life of the projects.

EGT enables project developers to construct waste elimination plants converting the waste into electrical and thermal energy. The high energy efficiency also provides project developers with a competitive advantage allowing them to quote more competitive gate fees for the waste supply.

The Enlarged Group intends to position itself as the key party providing:

- assistance to the developer in appraising the site's suitability;
- guidance in the selection of the fuel provider and in turn the specification to which this fuel will be subject to;
- highly efficient energy recovery technology;
- EPC contractor to construct the plant;
- financial model for the project;
- support in obtaining funding to finance the construction and commissioning; and
- O&M services to operate and maintain the plant once commissioned.

It is further anticipated that the Enlarged Group will generate revenues by selling its technology and engineering and design services to the project company or SPV and also selling its O&M services for a five year period after project commissioning.

A series of projects have been secured by way of an EPC contract and/or a MOU including:

- Reliable Energy Melton Hull and Reliable Energy Seal Sands projects in which Eqtec Iberia will supply EGT, as well as supervise the assembly and commissioning of the plant. EPC Contracts were recently signed by Energy China on both of these plants which will generate an anticipated c. 32 MWe and are expected to have a total capital cost of c. €210 million;
- the Catfoss Newcastle and Renewables (Catfoss) Hull projects in the UK with anticipated total installed capacity of c. 28 MWe and the 6.4 MWe Zebec Energy project located in the municipality of Usk, Wales in which Eqtec Iberia will provide a turnkey solution including, design, supplying gasification technology, and commissioning the plant; and
- Sense Esco projects located in Croatia in which Eqtec Iberia will provide a turnkey solution including, plant design, gasification technology supply, and plant commissioning for three gasification plants to be used for the conversion of waste and two treatment plants. These power plants will generate an anticipated c. 4.5 MWe and are expected to have a total capital cost of c. €36 million. It is important to note that the Sense Esco projects in Croatia will only commence when funding is secured for either vendor bonds or equity. This funding will more than likely be secured through third parties. The company is confident in its ability to source this funding in the near-term.

The Enlarged Group has significant experience in the sector and possess significant knowledge of energy markets, clean technologies, fuel sources, project development, project finance and project delivery and O&M. The Enlarged Group intends to deploy the EGT in the UK and elsewhere in order to implement its business strategy.

Relationship with Energy China

The Enlarged Group will also benefit from the CFA signed by Eqtec Iberia and the major shareholder of both Eqtec and Eqtec Iberia, EBIOSS, with Energy China in May 2016 to develop the pipeline of EfW projects in the UK, as set out above, other than the Zebec project in Usk.

Energy China is a Chinese state-owned enterprise with more than 140,000 employees, specialising in engineering and construction. The company developed the 22.5 GW Three Gorges Dam, the largest hydroelectric power plant in the world, which became operational in 2012. Between 2012 and 2014, the company engaged in the design and/or construction of power plants with a total installed capacity of 160 GW. It generated revenues of more than US$33 billion in 2016, delivering a profit after tax attributable to shareholders of US$644 million. The company is listed on the Hong Kong Stock Exchange and currently has a market capitalisation of US$5.7 billion.

In a typical deal under the framework agreement, the original project promoters will have:

(i) secured land, which would then either be sold into a specific project SPV or leased to it;

(ii) completed or significantly advanced the relevant planning permits and grid connection work; and

(iii) secured the long-term feedstock supply and power purchase agreement. For this, the project promoter will typically receive 20 per cent. of the project equity in the SPV.

The balance of the project ownership will typically be split between Energy China (20 per cent.), Energy China-sourced parties (31 per cent.) and other third parties (29 per cent.). In some of the early projects, EBIOSS may provide some or all of this 29 per cent., with Eqtec Iberia potentially taking equity in future projects, as cash resources dictate. Funds will only be released into the joint venture when legal, financial and technical due diligence is complete, O&M and EPC contracts are in place and power purchase agreement counterparty and feedstock supply agreements have been signed.

In every project, Energy China will be the primary EPC contractor to the project SPV, with Eqtec Iberia designated as an engineering and design subcontractor and gasification equipment supplier. Once the project is commissioned Eqtec Iberia will then be appointed as the O&M provider for 8-10 years.

On 7 July 2017, Energy China announced that it had entered into contracts with Reliable Energy for EPC services for the two 16MW RDF projects, Reliable – Seal Sands and Reliable – Melton Hull. Each contract has an anticipated total capital cost of €105 million for an anticipated period of 32 months. These are the first publicly announced projects in the UK by Energy China and are subject to among other things, obtaining the required financing. Under Eqtec Iberia's co-operation agreement with Energy China dated 22 May 2017 relating to Reliable Eqtec Iberia will be allocated 20 – 25 per cent. of the overall EPC contract price. Pursuant to MOUs dated 22 December 2016 with Reliable Energy and Energy China, Eqtec Iberia has "best efforts" obligations to support Reliable Energy to obtain the total capital for their projects from third parties.

The current project portfolio of the Company will be assessed and dealt with in light of the revised strategy as set out above. The Company's existing project pipeline which includes Newry Biomass Limited will be converted where possible to use of Refuse Derived Fuel as the feedstock source in line with Eqtec Iberia's pipeline of UK based projects. The Company will not pursue at this time the Enfield Biomass Limited project under this revised strategy. The Company will seek to exit its Biomass Heat only projects in the UK and its Wind Electricity Generation projects in Ireland as these are now seen as non-core. With this in mind the Company is at the final stages of completing the disposal of the Pluckanes single wind turbine in Ireland.

7. CURRENT TRADING AND PROSPECTS

The Company has continuously reviewed its strategy, cost base and financing structures to ensure it is well positioned and appropriately capitalised to take advantage of opportunities that are present in the sector in which it operates.

The Enlarged Group has a strong pipeline of opportunities as set out above:

Project Name	*Location*	*Anticipated Power Output (MW)**	*Anticipated Total Capital Cost (m)**	*Anticipated Eqtec Iberia Revenue (€m)*	*Status*
Reliable – Melton Hull	UK	16,00	€105	€18.630	EPC signed
Reliable – Seal Sands	UK	16,00	€105	€18.630	EPC signed
Zebec	UK	6,40	£20	€11.20	MOU signed
Sense Esco – Belsice II	Croatia	1,30	€6.6	€6.00	MOU signed
Sense Esco – Sibenik	Croatia	2,00	€10.6	€8.50	MOU signed
Sense Esco – Vropolje	Croatia	1,10	€6.6	€6.00	MOU signed
Sense Esco – Prerada Sibenik	Croatia	Biomass Treatment Plant	€7.0	€7.00	MOU signed
Sense Esco – Biomasa Vropolje	Croatia	Wood Pellet Plant	€4.785	€4.35	MOU signed
Catfoss – Newcastle	UK	8,00	£50	€9.315	MOU signed
Renewables (Catfoss) – Hull	UK	20,00	£100	€23.287	MOU signed

**These are the anticipated figures for each project which have been agreed by the parties pursuant to the relevant agreement.*

These projects should all be cash positive for the Enlarged Group from the outset, save for the Croatian projects which require Eqtec Iberia to participate in project vendor bonds or equity up to a maximum of €3 million. This amount is not provided for in the Enlarged Group's current budgets and so will need to be secured from third parties by way of project specific debt or equity. The Enlarged Group is confident in its ability to source this in the near-term. The Directors and Proposed Directors believe that the Croatian projects should commence later in 2018.

UK and Ireland pipeline

A new tendency in UK energy market is a shift from biomass to EfW. This change will allow Eqtec Iberia to develop and construct EfW projects in the near future and, as a result, it has agreed a CFA with Energy China for four different projects with two different developers: Catfoss and Reliable Energy. In these projects, Eqtec Iberia will provide the EGT technology and Energy China will provide the EPC wrap and the project finance.

Eqtec Iberia has recently signed a collaboration framework agreement with a relevant top tier European EPC Contractor which has ongoing projects worldwide with the aim of developing together an additional pipeline of new RDF waste to energy projects in UK and other territories. Under the agreement Eqtec Iberia will have the exclusive right to supply the EQTEC Gasifier Technology, EGT for selected projects which are currently being agreed between the parties. The new European EPC Contractor will be providing the EPC wrap with responsibility for handling every aspect of engineering, procurement, and construction for the projects. They will also will be committed to sourcing the necessary project finance, bringing both debt and equity funding to projects when necessary. Eqtec Iberia has already identified and is progressing a number of projects that may be included under the terms of this framework agreement.

Reliable Energy Solutions

Reliable Energy Solutions is a project promoter formed in April 2014 to develop renewable energy projects and provide consulting services in the UK. It has a focus on EfW projects, being Melton Hull and Seal Sands, the two most advanced projects in its portfolio.

On both projects, Transwaste (Melton Hull) and Niramax Group (Hartlepool-Seal Sands) have been engaged to operate a material recovery facility with capacity to process more than 300,000 tonnes per year of MSW, which will produce RDF to be used in 16 MWe power plants.

Energy China, EBIOSS and Eqtec Iberia have signed heads of agreement with Reliable Energy for both 16 MWe CHP combined heat and power gasification projects. Reliable has also signed a primary EPC contract with Energy China for the project. Total project investment is forecast to be approximately €105 million and the plant is expected to process 130,000t of waste each year.

It is envisioned that each project will be developed in its own special purpose vehicle (SPV). As per the signed heads of agreement, project equity will be split between the developer (Reliable Energy), RDF supplier (Transwaste) and third-party equity providers, who will be sourced by Reliable Energy Solutions. Debt financing will be sourced by Energy China.

It is expected that Eqtec Iberia will sign a purchase order for the technology with Energy China in Q1 2018.

A letter of intent with China Construction Bank has already been secured. Furthermore, Reliable Energy has signed a letter of intent with a major investor for the provision of US$20 million in equity for each project. Discussions remain underway with regards to this potential financing.

Zebec

Zebec Energy owns a waste-to-energy project in Usk, south-east Wales with the capacity to process 42,000 tonnes of wood waste per year. Zebec has a portfolio and pipeline of anaerobic digestion technology projects with the Usk plant being its only foray into the gasification sector.

The original direct syngas combustion gasification technology, designed by others, has not delivered its originally quoted power output. Eqtec Iberia will be responsible for the design, supply, assembly and repowering of a new biomass gasification plant. Since 2016, Eqtec Iberia has been working with Zebec to obtain the necessary permits and licences for this 6.4 MWe project. The project has been awarded ROCs and with negotiations to sign the EPC agreement ongoing. Project Capex is expected to be in the region of £20 million and under the MOU will Eqtec Iberia will receive €11.1 million of this as revenue, from Q2 2018. Eqtec Iberia, one its associated companies or an EPC contractor designated by Eqtec Iberia will provide the necessary guarantees, performance bonds and insurance package to conclude the financing of this project.

Sense Esco

Together with Sense Esco, its main partner in the region, Eqtec Iberia has developed an advanced project pipeline in Croatia outside of, and in addition to its agreement with Energy China and where it will operate as the primary EPC provider.

Sense Esco is an energy project management company which identifies, designs, finances, implements, operates and maintains energy efficiency and renewable energy projects in the Adriatic region (South-eastern Europe). It is privately owned by financial and technical partners and HNWIs from Croatia and Germany.

Sense Esco is a holding company focusing on developing SPV-structured energy projects. It sources projects ranging between €500k – €30 million and establishes a SPV for each project. To date, Sense Esco has secured five contracts with four of these with a potential revenue of over €130 million in 14 years from the feed-in tariff. Also, it has invested more than €8 million from different sources and has built two relevant projects:

1. Pliva production plant: 10 year contract for the optimization of steam cost/consummation for Pliva Hrvatska d.o.o. (Croatian production plant of the Israeli multinational Teva Pharmaceutical Industries Inc.); and
2. Belisce I: 1.2 MWe biomass cogeneration power plant with a secured feed in tariff for 14 years. The thermal energy produced is also sold to Harburg-Freundeberger Maschinenbau GmbH (a top tier German producer of tyre presses) for a long term period.

The latter was commissioned to Eqtec Iberia and it has been developed using EGT, Eqtec Iberia's patented technology. Following this project, Sense Esco and Eqtec Iberia have signed a MoU for another three gasification projects whereby Eqtec Iberia will provide a turnkey solution and two treatment plants. It is anticipated that these three gasification plants will generate approximately 4.5 MW.

The combined anticipated total capital cost of these plants will be €36 million. Financing for the three Croatian pipeline projects will be provided and sourced by Sense Esco. Eqtec Iberia is required to participate in project vendor bonds or equity up to a maximum of €3 million. These bonds will be repayable by instalment over a three year period from commencement of operations of the plant and will carry an interest rate of 8 per cent. This amount is not provided for in the Enlarged Group's current budgets and so will need to be secured from third parties by way of project specific debt or equity. The company is confident in its ability to source this in the near-term. The Directors and Proposed Directors believe that the Croatian projects should commence later in 2018.

Sense Esco has also signed regional financial, strategic and operational partnerships with General Electric that will potentially lead to co-funding projects for an amount of up to €1 million (conditional upon General Electric completing satisfactory due diligence).

In a sign of confidence in the technology, engine supplier General Electric has made an investment in the debt financing project bonds of Belisce 1, alongside Eqtec Iberia, which invested €350k in the project bonds.

In 2015, Sense Esco was awarded the Best Energy Service Company Project in the region by the European Bank for Reconstruction and Development.

Catfoss Renewables

Since 2016, Eqtec Iberia has been working with Catfoss to obtain the necessary permits and licences for two projects, Catfoss and Catfoss Newcastle.

Catfoss Renewables is part of the Catfoss Group of companies, which is active in residential and commercial property development, leisure facilities and waste to energy.

Catfoss owns and operates a waste management plant in Newcastle. This Material Recovery Facility has potential to receive and treat MSW and commercial and industrial waste at fixed gate fees under long term contracts with various councils and waste management companies. It has the capacity to process more than 300,000 tonnes per year of MSW, producing RDF which will be used in the 8 MWe power plant. Renewable Hull Limited also owns an approximately 20,000m^2 plot in Hull where it intends to install a new Material Recovery Facility and the 20 MWe power plant.

Energy China, EBIOSS Energy and Eqtec Iberia have signed heads of agreement with Catfoss Renewables for two gasification CHP projects: Catfoss-Hull and Catfoss-Newcastle, with an anticipated power output of 20 MW and 8 MW respectively.

It is intended that this deal will follow the typical deal structure outlined in the CFA, with a 75:25 debt/equity financing split. It is proposed that Energy China will subscribe for a number of shares equal to a 20 per cent. of the total issued share capital of the project company, introducing equity partners for a further 31 per cent., EBIOSS holding 29 per cent. and the original project promoter holding the remaining 20 per cent. Debt financing will be arranged by Energy China who will be the main EPC contractor with Eqtec Iberia being the designated technology provider.

All five UK projects have planning consent, which permits the processing of a pelletised RDF fuel into syngas using Eqtec Iberia's gasification process to directly combust in gas engines to produce electricity and heat at each site.

None of the plants in the pipeline have the required environmental permits yet. However, this is not anticipated to be a problem given that planning is already in place and all plants will be constructed to Environmental Protection Agency requirements. Eqtec Iberia believes it will take 6-8 months to approve an environmental permit for a specific project and it will therefore apply for these during each project's construction period.

The Zebec project has grid connection permission in place and both Reliable and Catfoss projects have already received grid connection offers.

The promoters are also in the process of securing the required electricity sales, heat sales and feedstock supply contracts for each project. For Reliable projects, the presence of a waste contractor in each consortium means that long-term feedstock supply contracts are already in place for these two projects.

Serbia & Poland

Based on Eqtec Iberia's experience in the region, other clients have approached it with proposals for three projects of 4 MWe each in Serbia. An EPC agreement is already in place for one of these projects, a 4 MWe woodchip gasification plant in Boljevac.

Eqtec Iberia is also active in Poland where it is building the Polygen project, a waste gasification plant to produce heat, electricity and SNG in collaboration with a consortium of European companies such as KIC InnoEnergy (founder), Rafako, Tauron and IChPW (Institute for Chemical Processing of Coal) (from Poland) and ATMOSTAT-ALCEN and CEA (Alternative Energies and Atomic Energy Commission) (from France). Together with Rafako and other local partners Eqtec Iberia is working on additional proposals in the country.

Belonging to the PBG Group the largest European boiler manufacturer, Rafako offers complete power generation units including units for supercritical steam parameters. Rafako offers design and manufacture of a wide range of boilers, including PC boilers and fluidized bed boilers as well as flue gas cleaning systems including Fuel – Gas desulfurization SCR plants and electrostatic precipitators.

Tauron is one of the largest business entities in Poland, with approximately PLN 16 billion equity and approximately 25 thousand employees, core businesses of Tauron include hard coal mining, generation, distribution and supply of electricity and heat.

Thailand pipeline

Eqtec Iberia is developing a pipeline of projects in Thailand, totalling 17 MW with an anticipated total capital cost of $80 million.

8. DIRECTORS, PROPOSED DIRECTORS SENIOR MANAGERS AND EMPLOYEES

The Board currently comprises Gerry Madden as Chief Executive Officer and Interim Finance Director, Brendan Halpin as Executive Director and Dermot O'Connell as Non-Executive Chairman. Oscar Leiva, Luis Sánchez, Neil O'Brien and Ian Pearson are Proposed Directors, with their appointments conditional only on Admission.

Should the Resolutions be passed and the Acquisition and Placing complete, Ian Pearson has agreed to be appointed non-executive Chairman, each of Oscar Leiva and Neil O'Brien will be appointed as non-executive Directors, Luis Sánchez will be appointed Chief Executive Officer and Gerry Madden will assume the role of Finance Director.

Directors

Dermot Jeremiah O'Connell – *Non-Executive Chairman, 70*

Dermot O'Connell was Chairman of Cork Cooperative Marts and a director of Eqtec's largest shareholder, Farmer Business Developments plc. He joined the Board as a Non-Executive Director in March 2011 and appointed as Non-Executive Chairman in October 2011.

Michael Gerard Madden – *Chief Executive Officer and Interim Finance Director, 58*

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

Brendan John Halpin – *Executive Director, 43*

Brendan Halpin joined Eqtec plc in February 2006 as Financial Controller and joined the Board as Executive Director in March 2011. Brendan is a Fellow of the Institute of Chartered Accountants in Ireland, having qualified as an accountant with PricewaterhouseCoopers in 1998. His current responsibilities include inter alia, finance management, project management and treasury functions.

Proposed Directors

Ian Phares Pearson – *Non-Executive Chairman, 58*

Ian was for five years the chairman of AIM listed OVCT2, a company which invested in a variety of renewal energy companies and was successfully merged into Apollo VCT plc last year. He is currently a Non-Executive Director of Thames Water Utilities Limited, the UK's biggest water company with 15 million customers, and is Chairman of CODE Investing Ltd. He is also a senior adviser to BAI Communications plc and has previously been a member of the UK Advisory Board of the accountants, PwC.

During a distinguished Ministerial career from 2001-10 Ian Pearson held a number of positions, including Minister for Trade & Foreign Affairs, Minister of State for Climate Change and the Environment, Minister for Science, and Economic Secretary to the Treasury. He graduated from Balliol College, Oxford and has a Master's degree and a Doctorate in Industrial and Business Studies from the University of Warwick.

Neil Christopher O'Brien – *Non-Executive Director, 54*

Neil O'Brien is an experienced manager and director in the UK energy sector holding a number of non-executive roles in both listed and private equity backed businesses.

Prior to taking on non-executive positions, Neil was CEO at the UK listed independent power producer, Alkane Energy, where Neil oversaw expansion in its core coal mine methane business and expansion into the UK power response market.

Neil qualified as a chartered accountant at Coopers & Lybrand and held a number of finance roles including senior positions in both Blue Circle Cement European Heating Division and in CAMAS plc before becoming Finance Director with Speedy Hire PLC.

Jose Óscar Leiva Mendez – *Non-Executive Director, 43*

Óscar Leiva is currently the President and founder of EBIOSS, a Waste to Energy engineering company listed on the Spanish Stock Exchange. He studied a Bachelor's degree in Management and Master's degree in Financial Markets at the University of Barcelona.

Oscar has held executive positions in private banking in different financial entities such as Credit Suisse Group and Banco Finantia. His extensive experience also comes from his role as Vice President of the Marina D'Or Group, a real estate developer and property company, and having co-led the expansion of the Group in different countries across several continents. The development of this expansion has resulted in the Group having several sales offices, creating its own local structure, purchasing land developing various international real estate projects, both in the residential and tertiary sectors of these countries.

Luis Sanchez Angrill – *Chief Executive Officer, 51*

Luis qualified as a power engineer at the Polytechnic University of Catalonia (Barcelona-Spain). Luis began his professional career at Sulzer Infra (now ENGIE) as HVAC ("Heating, Ventilation and Air Conditioning") and CHP Project developer. He has had several executive and management positions in the energy business until he founded Eqtec Iberia in 1997, starting a thermo-gasification R&D programme which is the origin of the unique Eqtec Gasifier Technology, patented by Eqtec Iberia. In 2012 he was one of the founders of EBIOSS and became its CEO. EBIOSS is a holding company developing biomass and waste power plants, listed on the Spanish Stock Exchange since July 2013.

Proposed senior management

The Enlarged Group's senior management team will include the following individuals:

Yoel S. Alemán Méndez – *Chief Technology Officer*

Yoel has a background in Energy Engineering (UCLV, Cuba 1996) and a Ph.D in Engineering Chemistry (Zaragoza, Spain 2009). He is currently Chief Technical Officer at EBIOSS and Eqtec Iberia. He was also University Associated Professor of Research and has been involved in Biomass Gasification for more than 20 years. An author of three Technology Patents related to this topic, his sector specialty is power generation via fluid bed gasification, process modeling, flow-dynamics, chemicals and biorefining. Furthermore, he has designed, built and operated gasification facilities of various industrial capacities.

Javier Antón Gallego – *Chief Operations Officer*

Javier studied Mechanical Engineering at Zamora Polytechnic (University of Salamanca) and took a Master's degree in Construction Management at Cobra Instalaciones y Servicios S.A. and a Structure Postgraduate by Asociación Consultores de Estructuras (Zigurat). Javier has more than 28 years' experience in the energy sector and has been at Eqtec Iberia since 1997, in the area of project construction as project manager. He has extensive experience in the fields of project management, team management, high and low voltage, civil construction and mechanical installations.

Employees

The Company currently has three employees in Cork, Ireland.

Following completion of the Acquisition, the Enlarged Group will have 15 employees: 12 in Barcelona, Spain and three in Cork, Ireland.

The Directors and Proposed Directors believe that this team is currently sufficiently experienced and resourced to support the implementation of the Enlarged Group's strategy.

9. THE PLACING AND USE OF PROCEEDS

The Company is proposing to raise up to approximately £1.6 million (approximately £0.7 million net of expenses) by the conditional placing of 246,153,847 Placing Shares pursuant to the Placing at the Placing Price. The net proceeds of the Placing will be used to fund general working capital. Approximately £200,000 of the expenses have already been paid out of existing cash balances.

The Placing Shares will represent approximately 18.3 per cent. of the Enlarged Share Capital on Admission and rank *pari passu* in all respects with the Ordinary Shares, including the right to receive future dividends and other distributions declared, made or paid in respect of the Ordinary Shares.

Northland and VSA Capital have conditionally agreed, pursuant to the Placing Agreement and as agents for the Company, to use their reasonable endeavours to procure institutional and other subscribers for the Placing Shares at the Placing Price. The Placing has not been underwritten and is conditional, *inter alia*, upon the passing of the Resolutions, Admission and the Placing Agreement not being terminated by 21 December 2017 (or such later date as the Company, Northland and VSA Capital may agree being no later than 4 January 2018). The Placing Agreement contains certain warranties and indemnities from the Company in favour of Northland and VSA Capital in relation, *inter alia*, to the accuracy of the information contained in this document and certain matters relating to the Group and Eqtec Iberia. Northland and VSA Capital each have certain rights to terminate the Placing Agreement prior to Admission, including for a material breach of warranty or the occurrence of certain *force majeure* events. Further details of the Placing Agreement are set out in paragraph 12.2 of Part VIII of this document.

The Placing is being made on a non pre-emptive basis as the time delay and costs associated with a pre-emptive offer are considered by the Directors to be excessive for the Company's requirements.

10. RELATED PARTY TRANSACTION

Due to its shareholding in the Company, EBIOSS is a related party of the Company under the AIM Rules. The Acquisition is deemed to be a related party transaction pursuant to rule 13 of the AIM Rules by virtue of EBIOSS' shareholding in Eqtec Iberia. The Directors, having consulted with the Company's nominated adviser, Northland, consider that the terms of the Acquisition are fair and reasonable insofar as Shareholders are concerned.

11. ADMISSION, SETTLEMENT AND DEALING

Pursuant to rule 14 of the AIM Rules, an application will be made for the Ordinary Shares arising from the Consolidation to be re-admitted to trading and the Placing Shares and the Consideration Shares to be admitted to trading on AIM. The last day of trading on AIM of the Ordinary Shares was on 14 July 2017 and that Admission will become effective and dealings in the Enlarged Share Capital will commence on 21 December 2017.

The Company's Ordinary Shares are eligible for CREST settlement and settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so. CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument in accordance with the CREST Regulations. For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear at Waitling House, 33 Canon Street, London EC4M 5SB or by telephone on +44 (0)207 849 0000.

The Ordinary Shares have the ISIN code IE00BH3XCL94 and are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any other exchange.

12. SHARE LOCK-IN AND ORDERLY MARKET ARRANGEMENTS

Pursuant to the Lock-in Deed, the Locked-in Parties have undertaken to the Company, Northland and VSA Capital that they will not (and procure that persons connected with them do not) dispose of any interest they hold in Ordinary Shares for a period of 12 months following Admission, except in certain limited circumstances permitted by rule 7 of the AIM Rules. In addition, EBIOSS and Inava may sell Consideration Shares back to the Company for £1.00 to satisfy warranty claims pursuant to the Acquisition Agreement. The Locked-in Parties have undertaken that, for a further period of 12 months thereafter, they shall only dispose (and procure that persons connected with them only dispose) of an interest in Ordinary Shares through VSA Capital (or the Company's then broker) and in such manner as VSA (or the Company's then broker) may require with a view to maintaining an orderly market in the Ordinary Shares. Further details of the Lock-in Deed are set out in paragraph 12.5 of Part VIII of this document.

13. RELATIONSHIP AGREEMENT

On completion of the Acquisition, the Vendors will collectively own 61.9 per cent. of the Enlarged Share Capital and will be able to exercise control over the Company. The Vendors have therefore entered into the Relationship Agreement with the Company, Northland and VSA Capital to regulate the relationship between the Company and the Vendors and ensure that the management of the Company can be conducted independently of the interests of the Vendors. Pursuant to the Relationship Agreement the Vendors have agreed to certain restrictions on the voting of their Ordinary Shares, as well as restrictions on being involved in businesses which compete with the business of the Enlarged Group. For so long as EBIOSS holds at least 40 per cent. of the voting rights which may be cast at a general meeting of the Company it shall have the right to nominate any person to the Nomination Committee to act as the CEO of the Company. Any such appointment shall be at the absolute discretion of the Nomination Committee and the Company's nominated adviser. The Relationship Agreement will replace the existing relationship agreement between EBIOSS, the Company and Strand Hanson Limited which will terminate on Admission. Further details of the Relationship Agreement are set out in paragraph 12.6 of Part VIII of this document.

14. DIVIDEND POLICY

The Directors and Proposed Directors believe the Company should seek to generate capital growth for its Shareholders and would look to distribute a dividend at some future date when the investment portfolio matures and production revenues are established and when it becomes commercially prudent to do so.

15. CORPORATE GOVERNANCE

The Corporate Governance Code applies only to companies on the premium segment of the Official List and not to companies whose shares are admitted to trading on AIM. However, the Directors and Proposed Directors recognise the importance of sound corporate governance and intend that the Enlarged Group will comply with the provisions of the QCA Guidelines, insofar as they are appropriate given the Enlarged Group's size and nature. As the Enlarged Group grows, the Directors and Proposed Directors intend that the Board should develop policies and procedures which further reflect the Corporate Governance Code, so far as it is practicable taking into account the size and nature of the Enlarged Group.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. The Group holds Board meetings at least six times each financial year and at other times as and when required.

The Group has established properly constituted audit, remuneration and nomination committees of the Board with formally delegated duties and responsibilities, a summary of which is set out below.

Audit committee

The audit committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It receives and reviews reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The audit committee meets not less than twice in each financial year and has unrestricted access to the Group's external auditors. The members of the audit committee following Admission will be Neil O'Brien, who acts as chairman of the committee, Ian Pearson and Oscar Leiva.

Remuneration committee

The remuneration committee shall determine and agree with the Board the framework or broad policy for remuneration of the executive directors and, within the terms of the agreed policy and in consultation with the Chairman of the Board and/or the Chief Executive Officer as appropriate, determine the total individual remuneration package of each individual executive director and other senior executives. The committee also makes recommendations to the Board on proposals for the granting of share awards and other equity incentives pursuant to any share award scheme or equity incentive scheme in operation from time to time.

The Board maintains a policy of providing executive remuneration packages that will attract, motivate and retain directors of the calibre necessary to deliver the Enlarged Group's growth strategy and to reward them for enhancing shareholder value. The remuneration and terms and conditions of appointment of non-executive directors are determined by the Board. No director is involved in setting his or her own remuneration. The remuneration committee meets at least twice a year. The members of the remuneration committee following Admission will be Ian Pearson, who acts as chairman of the committee, Neil O'Brien and Oscar Leiva.

Nomination committee

The nomination committee is responsible for reviewing and making proposals to the Board on the appointment of directors, determining successor plans and for assessing directors on an ongoing basis. The committee meets as necessary and following Admission will consist of Oscar Leiva, as the chairman of the committee, Ian Pearson and Neil O'Brien.

16. SHARE DEALING CODE

The Company has adopted a share dealing code for dealings in securities of the Company by directors and certain employees which is appropriate for a company whose shares are traded on AIM. This constitutes the Company's share dealing policy for the purpose of compliance with the Investment Funds, Companies and Miscellaneous Provisions Act 2005, the European Union Market Abuse Regulation (EU 596/2014), and the Market Abuse Directive (Directive 2014/57/EU), which were made part of Irish law by S.I. No. 349/2016 European Union (Market Abuse) Regulations 2016 (the "Market Abuse Regulations"). The share dealing code also complies with Rule 21 of the AIM Rules.

It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, applies to the Company and dealings in Ordinary Shares.

17. SHARE OPTIONS

Gerry Madden has been granted with options to subscribe for Ordinary Shares pursuant to the terms of an individual option agreement. These options are subject to certain vesting and performance conditions, further details of which are set out in paragraph 9.1 of Part VIII of this document.

In addition, the Directors believe that the success of the Company depends to a high degree on the future performance of the management team. The Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the profitability of the Company. Accordingly the Company intends to establish a long-term incentive plan for employees before the next Annual General Meeting of the Company.

18. THE IRISH TAKEOVER RULES

The Company is subject to the Irish Takeover Rules and is a "Relevant company" for the purpose of the Irish Takeover Rules as the Company's securities are admitted to trading on AIM.

The Acquisition constitutes a "reverse takeover" within the meaning of the Irish Takeover Rules as the Company will issue more than 100 per cent. of its issued share capital to the Vendors, should the Acquisition proceed to completion.

On 10 January 2017, the Company published a shareholder circular in which, amongst other things, it sought shareholder approval for a debt-for-equity swap of certain drawn down amounts under the EBIOSS Loan Facility.

When the resolutions contained in that circular were duly passed, EBIOSS came to control the voting rights of Ordinary Shares representing more than 50 per cent. of the then issued share capital of the Company. Accordingly, for so long as EBIOSS holds Ordinary Shares carrying more than 50 per cent. of the Company's voting share capital (for the purposes of the Takeover Rules), it may increase its holding of Ordinary Shares in the Company, under the Takover Rules, without incurring an obligation under Rule 9 to make a general offer for the Company.

Should the Acquisition complete, at Admission, EBIOSS will hold 676,406,371 Ordinary Shares, being 50.25 per cent. of the Enlarged Share Capital and Inava will hold 250,159,360 New Ordinary Shares, being 18.58 per cent. of the Enlarged Share Capital.

The Panel, having been advised of the terms of the Acquisition noted that:

- the Acquisition constitutes a reverse takeover under Rule 40 of the Irish Takeover Rules and consequently a circular in accordance with Rule 40.2 is required to be dispatched to the Shareholders;
- EBIOSS and Inava, having signed a head of terms with the Company with regard to the Acquisition, are deemed under the Irish Takeover Rules, to be acting in concert with each other (as they are cooperating on the basis of an agreement aimed at the acquisition by them of securities in the Company);
- under the presumption of concertedness under Rule 3.3(b)(i) of Part A of the Irish Takeover Rules EBIOSS, Inava and the Eqtec Iberia are all presumed to be acting in concert with each other (on the basis that the Eqtec Iberia is an associated company of both EBIOSS and Inava);
- the presumption of concertedness under Rule 3.3(b)(ii) of Part A of the Irish Takeover Rules is also relevant insofar as the directors of EBIOSS, Inava and the Eqtec Iberia are concerned;
- EBIOSS currently benefits from the single holder exemption under Rule 9.1(b) with regard to its current shareholding in the Company; and
- post completion of the Proposals EBIOSS and Inava will hold 50.25 per cent. and 18.58 per cent. respectively of the issued share capital of the Company.

The Panel, having regard to the specific circumstances of the case ruled that, notwithstanding EBIOSS and Inava are both deemed and presumed to be acting in concert for the purposes of the Irish Takeover Rules, a mandatory offer under Rule 9 of the Irish Takeover Rules would not be triggered as a result of the Acquisition provided that:

- on completion of the Acquisition EBIOSS continues to be a single holder holding more than 50 per cent. of the voting rights of the Company; and
- Inava (and any other parties acting in concert with it) holds securities conferring less than 30 per cent. of the voting rights of the Company.

The Panel's ruling is specific to the Acquisition and is without prejudice to any other event which might trigger a mandatory offer under Rule 9 of the Irish Takeover Rules following completion of the Acquisition. EBIOSS and Inava will remain regarded as acting in concert post the Acquisition.

This document contains the information which the Company is required to give to the Shareholders in connection with the Acquisition under Rule 40 of the Irish Takeover Rules. The information required to be included in this document pursuant to Rule 40.2 is contained in the body of this circular as set out in the following paragraphs.

Rule 40.2 (a)

Directors' views and independent adviser:

The Company has retained Northland to act as its Rule 3 adviser in connection with the Acquisition. In connection with Northland's engagement, the Company requested that Northland provide the Directors with independent advice in relation to whether or not the entry into the Acquisition was in the interests of Shareholders.

In its advice, Northland has taken into account the Company's current financial position, its recent history and performance, stockmarket conditions for microcap quoted companies and alternative funding options. In the light of this, Northland has considered the business, board, strategy and prospects of the Enlarged Group.

In accordance with rule 3.1 (c) of the Takeover Rules, Northland highlighted in its advice the statement in the audited results for the year ended 30 June 2017, announced today, concerning the Company's financial position. This set out that the validity of the going concern basis of the accounts for the year ended 30 June 2017 is dependent upon the approval by Shareholders of the Resolutions being passed at the Extraordinary

General Meeting approving the acquisition of EQTEC Iberia and placing of new shares in order to fund the working capital needs of the Enlarged Group and the continued development of its near term pipeline.

In this light, Northland advised the Board that the Acquisition was in the interests of Shareholders.

Northland's advice was for the benefit of the Board (in its capacity as such) and was rendered to the Board in connection with its evaluation of the Acquisition. Its advice is necessarily reliant on the commercial assessments of the Directors, particularly in connection with future trading, competition and market prospects for the Company's business post the Acquisition and the Placing. Northland's advice was not intended to and does not constitute a recommendation to any Shareholder as to how such Shareholder should vote or act with respect to the Acquisition or any other matter relating thereto.

Recommendation of the Board in relation to the Acquisition

Having considered the advice provided to it by Northland, the Board considers that the Acquisition is in the best interests of the Shareholders as a whole and, accordingly, unanimously recommend that the Shareholders vote in favour of the Acquisition at the General Meeting.

The Board has considered the current prospects for the Company given its financial situation and existing business plan. The Board believes that the prospects for the Company will be materially enhanced by the Acquisition. The pipeline of new business of the Enlarged Group will significantly increase the Company's commercial outlook and completion of the Acquisition and the Placing transforms its financial strength and depth of management.

Rule 40.2 (b)

Information on shareholdings, dealings and material contracts:

Information as per Rule 25.3:

Details of arrangements in relation to interests and dealings in relevant securities are contained in paragraph 6 of Part VIII, of this document.

Information as per Rule 25.5:

Details of arrangements in relation to dealings are contained in paragraph 6 of Part VIII, of this document.

Information as per Rule 25.6:

Details in relation to material contracts are contained in paragraph 12 of Part VIII, this document.

Rule 40.2 (c)

Information on service contracts:

Details in relation to service contracts are contained in paragraph 7 of Part VIII, this document.

19. TAXATION

Information regarding United Kingdom and Irish taxation is set out in paragraph 17 of Part VIII of this document. These details are, however, intended only as a general guide to the current tax position under UK and Irish taxation law. Shareholders who are in doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent financial adviser immediately.

20. EXTRAORDINARY GENERAL MEETING

A notice convening an Extraordinary General Meeting of the Company, to be held at Cork International Hotel, Cork Airport Business Park, Lehenagh More, Co. Cork, Ireland on 20 December 2017 at 11.30 a.m., is set out at the end of this document. At the Extraordinary General Meeting, the following resolutions will be proposed:

(1) to approve the Acquisition;

(2) to authorise the Directors to allot Ordinary Shares up to a maximum nominal value of €10,000,000;

(3) to authorise the Directors to allot Ordinary Shares up to a maximum nominal value of €10,000,000 for cash otherwise than on a *pro rata* basis to Shareholders.); and

(4) to authorise the potential buy-back of Consideration Shares by the Company pursuant to the terms of the Acquisition Agreement.

The resolutions in (1) to (3) will be proposed as ordinary resolutions and the resolution in (4) will be proposed as a special resolution. To be passed, the resolutions in (1) to (3) require a majority of the votes cast at the Extraordinary General Meeting, in person or by proxy, and the resolution referred to in (4) requires a majority of not less than 75 per cent. of the votes cast at the Extraordinary General Meeting, in person or by proxy. Resolution 1 is inter-conditional on all other Resolutions being passed and so, if one of them is not passed at the Extraordinary General Meeting the Acquisition will not complete.

21. FURTHER INFORMATION

Your attention is drawn to Parts II to VIII of this document, which provide additional information on the Enlarged Group, and, in particular, to the Risk Factors set out in Part III.

22. RECOMMENDATION AND ACTION TO BE TAKEN BY SHAREHOLDERS

The Directors, having considered the advice provided to it by Northland, consider that the Acquisition is in the best interests of the Company and the Shareholders as a whole and unanimously recommend that the Shareholders vote in favour of each of the Resolutions.

Should Shareholders not vote in favour of the Resolutions and/or Admission does not take place, the Directors believe that the future sustainability and viability of the business is at serious risk in that EcoFinance and/or Altair have the right to call in their respective loans. In light of the recent history and financial challenges faced by the business the support of EcoFinance and Altair would be crucial to the progress of the business enterprise.

A Form of Proxy is enclosed for use by Shareholders at the Extraordinary General Meeting. Whether or not Shareholders intend to be present at the Extraordinary General Meeting, they are requested to complete, sign and return the Form of Proxy to the Company's registrar, Link Asset Services, Link Registrars Limited, P.O. Box 7117, Business Reply, Dublin 2, Ireland or by hand to Link Asset Services, Link Registrars Limited, 2 Grand Canal Square, Dublin 2, DO2 A342, Ireland as soon as possible but in any event so as to be received by the Company's Registrars no later than 48 hours before the time appointed for the Extraordinary General Meeting. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting, or any adjournment thereof, should you wish to do.

Yours faithfully

Dermot O'Connell
Non-Executive Chairman

PART II

INFORMATION ON EQTEC IBERIA

Eqtec Iberia is an engineering company specialising in the design, construction, operation and maintenance of power plants. The main business areas of the company are:

- biomass and waste gasification; and
- cogeneration plants.

Eqtec Iberia also provides operation and maintenance services to customers where required.

Eqtec Iberia began operations in Spain in 1997, combining extensive experience in the design and construction of cogeneration plants.

Developments in the market and the changing needs of customers allowed Eqtec Iberia to grow into new business areas which included waste and biomass gasification plants.

From incorporation, Eqtec Iberia set up a R&D program on biomass and waste thermochemical gasification, developing a proprietary and highly efficient progressive gasification technology that is patented: EGT. Eqtec Iberia has developed through the years a strong simulation tool, EKM to simulate the behaviour of the EGT on a given feedstock, allowing reduction of time to develop a new project and increased accuracy of results.

The EKM platform is a powerful simulation tool designed by Eqtec Iberia and based on a computer-assisted kinetic model capable of predicting the thermochemical processes of solid degradation that takes place in gasification plants designed using Eqtec Iberia's patented EGT. This computer simulation uses numerical models that allow it to determine the optimal gasification conditions for each waste type depending on its chemical composition.

EGT is based on a bubbling fluid bed gasifier and is fuelled with solid biomass, which is converted into gas, so called Syngas. Syngas consists primarily of hydrogen, methane and carbon monoxide and can be used to produce fuels, chemical products or energy. Once conditioned, the gas is used as fuel in internal combustion engines or turbines which generate electricity. The advantage of EGT is that it produces a high quality syngas which can be used as fuel in IC engines, offering a higher overall efficiency in comparison with other technologies. Furthermore, it allows multi-fuel, modular and scalable generation plants which are environmentally friendly and produce extremely low emissions of pollutants.

Eqtec Iberia has, to date, exported plant technology and expertise to Portugal, the Dominican Republic, Italy, India, France and Bulgaria among other countries.

Eqtec Iberia's modular advanced gasification technology is currently operational in three plants, the 6 MW Movialsa plant in Spain (its flagship project), the 1.2 MW Belisce 1 plant in Croatia (started commissioning in August 2017), and a 1 MW plant in Gallina, Italy. It has also installed its technology in a number of R&D plants and a 3 MW plant in Karlovo, Bulgaria.

In 2011, Eqtec Iberia delivered a 6 MWe capacity biomass gasification, one of the largest plants of its kind in Europe, located in Ciudad Real, Spain:

Typical process of building a gasification plant by a third party project developer using EGT

Integrated Biomass Gasification Cogeneration Power Plant ("IBGPP") – Movialsa

The plant is fuelled by Syngas generated by gasification of residual materials of grape bagasse from a local alcohol factory and olive pulp from olive oil production. It uses three J620 General Electric (GE Jenbacher) engines producing a total of 5.9 MW of electricity, 5,600 Kg/h of saturated steam at 6 bar and 159 m3/h of hot water at 90°C, which are used by the alcohol distillery where the power plant is located.

Waste gasification

Waste gasification is process technology that is designed and operated in order to produce a Syngas through the thermo-chemical conversion of carbonaceous materials. Once generated Syngas is purified and pollutants are removed from the stream of Syngas in order to have a clean Syngas which can be used as fuel.

When Syngas is used on engines, these engines move an alternator, generating electricity and at the same time the engines generate heat, in the form of exhaust gases and hot water from the cooling circuit. This heat could be used to produce steam, hot air, and hot water or even chilled water for air conditioning purposes.

Today, Eqtec Iberia has considerable experience in the design and construction of gasification plants, using its patented gasifier technology which when coupled to IC gas engines, provides higher overall efficiency than other competing technologies. Eqtec Iberia has constructed gasification plants in Spain, Italy, Croatia and Bulgaria and operates an R&D plant in France built with the support of EDF.

Waste gasification projects

Below is a list of the main waste & biomass gasification projects completed by Eqtec Iberia:

- Movialsa – 6 MW integrated biomass CHP plant;
- Karlovo – 3 MW integrated biomass gasification power plant;
- Syngas Italy – 1 MW integrated biomass gasification power plant;
- Sense Esco Belisce I – 1.2 MW integrated biomass CHP plant;
- University of Lorraine – 50 Kg/h gasification plant;
- University of Badajoz –50 Kg/h R&D gasification plant; and
- Tatta Coffee – 0.7 MW gasification plant.

EQTEC Iberia also participated in the xGATE R&D project where, AVA CO2's HTC technology was combined with EGT to design a unique EfW power plant. The xGATE Consortium project was awarded the "Project of the Year 2013" in the Business Orientation category at the 1st European Conference on Technology to Business in Energy from Chemical Fuels held in Frankfurt on 23 and 24 September 2013, organised by EIT KIC InnoEnergy.

Cogeneration

Cogeneration is the simultaneous generation of electricity and useful heat from a single process. This process results in savings in primary energy and the subsequent reduction in emissions of greenhouse gases.

The simultaneous generation of electricity and thermal energy is energy produced at the point of consumption, preventing transmission grid losses, with potential energy efficiency of up to 85 per cent.

Cogeneration plants can draw on a wide range of energy sources, fossil fuels such as natural gas, propane and butane or heavy fuel oil, renewable energy sources and waste.

Eqtec Iberia has built cogeneration plants ranging from 60 kWe to 35.6 Mwe with a total installed thermal power of over 400 MWth.

Cogeneration projects offer significant benefits to the customer that include improved industrial competitiveness, reduced environmental impact of its activity and energy supply safety.

Cogeneration projects

The following is a list of the main cogeneration projects completed by Eqtec Iberia:

- Tersa – 3,65 MW natural gas CHP plant;
- Cartonajes Izquierdo – 1 MW natural gas CHP plant;
- Movialsa – 10 MW natural gas CHP plant for steam generation;
- Movialsa – 10 MW cogeneration plan for olive pulp drying;
- Ceramica Zaratan, SA – 1 MW cogeneration plant in Valladolid; and
- Tissat – 3 MW Cogeneration plant in Castellon.

MOVIALSA KEY DATA

EQTEC GASIFIER TECHNOLOGY	
FEEDSTOCKS	Grape bagasse & Olive pits
GASIFIER TECHNOLOGY	BUBBLING FLUIDIZED BED GASIFIER
NUMBER OF GASIFIERS	4 lines
BIOMASS CONSUMPTION PLANT	4.000 kg/h - 19600 kWh
MOISTURE BIOMASS	10 %
EFFICIENCY INDEX	0,72 kg biomass/kWe

POWER PLANT / GAS ENGINES	
MANUFACTURER	JENBACHER
TYPE ENGINE GENERATORS	3 x J620
ELECTRICAL POWER	5.922 kW
THERMAL POWER	6.588 kW
ELECTRICAL EFFICIENCY	30,2 %
THERMAL EFFICIENCY	33,6 %

Currently the IBGPP plant gasifies 4000 Kg/h of olive bagasse from the oil factory and allows for the total elimination of the liquid effluent of the factory. Olive pomace is used as feedstock into the gasifier plant and liquid effluent, so called “vinazas” is concentrated on a multistage evaporator using residual heat from the engines.

IBGPP is designed to run continuously on automatic mode with minimum operation manpower requirements and it has already reach more than 70,000 accumulated running hours on the engines

Over the years Eqtec Iberia has obtained patents for its technology, as well as established knowhow, field data, and test data, and is widely considered to be a world leader in gasification technology. While competition exists in the industry, new entrants to the market face many barriers, not least the costs and challenges associated with developing the technology, compliance issues and the critically important building of relationships with waste project developers, waste suppliers, EPC providers and project debt and equity providers. Eqtec Iberia has achieved all of these points and more and now is at a key inflection point.

Subsequently, Eqtec Iberia entered the larger market of distributed power generation, bringing its own technology, proven experience in the field of generation and management skills that could provide companies with the set-up of energy projects.

Key Strengths of Eqtec Iberia Gasifier Technology

EGT exhibits two main benefits over other competing technologies, which are specially important given the chequered past of many gasification technologies in the sector:

(1) Efficiency

Operational plants using EGT are operating with an electrical efficiency between 25 per cent. and 30 per cent. (Italy c. 28 per cent., Movialsa c. 30 per cent., with the Bulgarian plant averaging c. 27.5 per cent. prior to its mothballing). For comparison purposes, traditional combustion based biomass plants typically achieve 15-23 per cent. electrical efficiency.

Gasification plants that combust gas to generate steam, which is then used to generate electricity typically achieve the same level of electrical efficiency as traditional combustion based plants. This should allow plants using EGT to undercut competitors in terms of the gate fees they can afford to charge and stay economic.

The Enlarged Group will also have a significant advantage over the continental processors in terms of lower waste transport costs, with its facilities located in key waste hubs and its feedstock requiring no sea-based transportation.

In terms of biomass conversion efficiency, the Italian plant is operating at c. 0.90 kg of biomass processed for each kW of electricity generated, Bulgaria was c. 0.92 kg/kW and Movialsa is c. 0.80kg/kWh.

(2) Reliability

The technology is currently used in three operational power plants: Spain (6 MW Movialsa), Croatia (1.2 MW Belisce 1) and Italy (1.0 MW, Gallina), with additional smaller R&D facilities running at Universities in Spain, Portugal and France. These R&D plants are owned by the respective universities but Eqtec Iberia has an agreement to use the plants for testing purposes.

The three General Electric Jenbacher engines at the Movialsa plant have now run for more than 70,000 hours between them at the targeted output without major issue. In a major sign of support, Eqtec Ibeira has had its syngas officially approved for use by General Electric in its Jenbacher engines.

One of the major issues in many gasification projects is the formation of tars (easily condensable compounds) in the resulting gas stream, which cause operational issues in the equipment that uses the gas. To address this, EGT applies an IP-protected thermal cracking and steam reforming process (as opposed to an often-used catalytic reforming with steam process).

Eqtec Iberia has designed and/or built more than 70 power plants with capacities ranging from 60 kW to 35.6 MW. Although the majority of these are natural gas-fuelled CHP plants, 19 of these are waste gasification projects, with six currently operational (including R&D facilities), demonstrating the considerable engineering and EPC experience that the company has.

Eqtec Iberia Patents

In August 2016 Eqtec Iberia applied for two European patents covering its gasification process and the clean-up of the produced syngas. These were granted by the European Patent Office in July 2017 and September 2017.

(1) Process and Reactor for Gasification of Organic Solid Materials EP14786221

(2) Process and Reactor for Conditioning a Gas Stream from a Gasifier, Thermal Cracking of Tars And Steam Reforming EP14786222.1

Eqtec Iberia also has a third patent granted in Spain, covering the process flow and heat recovery parts of the system. It will look to apply for an EU patent for this in due course.

Key Events

Eqtec Iberia is currently owned 33.01 per cent. by Inava, a company owned by certain employees of Eqtec Iberia (Luis Sanchez (62 per cent.), Yoel Alemán (30 per cent.), Carlos Sanchez (4 per cent.) and Javier Antón (4 per cent.)), and 66.99 per cent. by EBIOSS.

Eqtec Iberia has two directors, being Luis Sanchez and Oscar Leiva.

The primary office of Eqtec Iberia is located at Rosa Sensat Street 9-11, 5th floor, Barcelona 08005 Spain.

Strategy

The strategy of Eqtec Iberia has traditionally been focused on providing EPC services, and maintenance for CHP plants sized from 60 KWe to 35.6 MWe using fuels such as natural gas or diesel. Originally this represented a major part of the operations of Eqtec Iberia.

However, due to its patented technology, Eqtec Iberia has shifted the focus of the business to provide engineering services and key equipment to biomass and waste gasification plants worldwide.

Eqtec Iberia's directors propose to deploy the company's patented EGT technology and O&M through different projects, securing the engineering and key principal equipment contracts and also to continue with the traditional business of providing EPC and O&M services to CHP plants.

Currently Eqtec Iberia's primary geographical and sector focus is on:

- UK – waste to energy, biomass to energy and CHP; and
- Continental Europe – biomass to energy and CHP, waste and biomass to SNG.

Marketing

Eqtec Iberia has a well-defined in-house marketing strategy focused on four main areas:

- marketing material composed of brochures explaining the technology and different presentations explaining the projects completed to date. EBIOSS also supports Eqtec Iberia through their own marketing channels and will continue to do so as the Enlarged Group's largest shareholder;
- presence at exhibitions and congresses – representatives of Eqtec Iberia regularly attend exhibitions worldwide. These tend to be technically focused but can also be financial exhibitions;

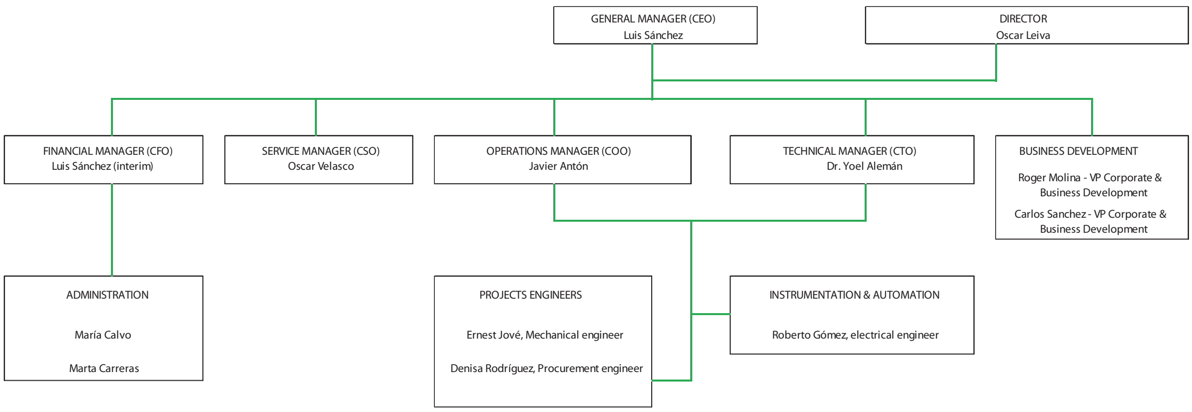
- online – relevant news on Eqtec Iberia and its technology is published; and
- possible use of its R&D pilot plants at the University of Badajoz and the University of Lorraine as reference plants to perform tests with new feedstocks.

Eqtec Iberia is present in several countries including UK, Italy, Bulgaria, Turkey, Poland and Croatia through direct sales offices, distributors and sales agents.

The core strategy of Eqtec Iberia is to secure customers and projects by reaching agreements with:

- project developers – Eqtec Iberia supports developers in the permitting process in order to guarantee that the project permits are based on the properties of the unique technology;
- EPC contractors – Eqtec Iberia has agreements with EPC contractors that are able to provide EPC wrap for projects; and
- Financial investors – Eqtec Iberia has regular contact with financial investors who can provide capital (via equity or debt) to projects.

Directors, Senior Management and Employees chart



Business Partnerships/Suppliers

Eqtec Iberia works alongside some of the largest companies (and suppliers) in the sectors and is involved in the designing and developing of its technology such as:

- General Electric – supplier of gas generators, which are tailor made for the unique gasifier technology;
- Siemens – supplier of control systems; and
- Honeywell Combustion – supplier of combustion units.

Customers

Eqtec Iberia counts among its customers several large international energy companies and organisation:

- EDF Energy – investment in GAMECO consortium;
- Endesa SA (majority owned subsidiary of Enel SPA) – several CHP projects already completed;
- Energy China – strategic partnership for co-investing in EPC wrapping schemes; and
- Rafako SA ("Rafako") and Tauron Wytwarzanie SA ("Tauron"), Partners at the Polygen project, with a total investment of c. €27 million.

Of special importance for Eqtec Iberia is the CFA signed in May 2016 between EBIOSS, Eqtec Iberia and Energy China. Pursuant to this agreement, EBIOSS will introduce part of Eqtec Iberia's pipeline of waste gasification projects to Energy China which will act as the EPC services contractor, as well as providing project finance, committing in some of the projects to a minimum of 75 per cent. debt and 50 per cent. of the remaining total equity needed for the project. Furthermore, as part of this agreement, Energy China will exclusively outsource Eqtec Iberia's engineering services and technology for the construction of the projects introduced.

Resulting from the CFA, Energy China signed two EPC contracts in June 2017 for each of the Reliable Energy, Seal Sands and Melton Hull projects which include Eqtec Iberia as the nominated subcontractor to supply EGT, as well as supervise the assembly and commissioning of the plants which will generate approximately 32 MWe and have a total capital cost of approximately €210 million. Furthermore, a letter of intent with a Chinese bank has recently been secured to provide project financing for these two projects.

Also, as part of the Collaboration Framework Agreement, heads of agreement have been signed for the 8 We Catfoss Newcastle and 20 MWe Renewables Hull projects in the UK.

Further details of the Collaboration Framework Agreement are set out in paragraph 12.17 of Part VIII of this document.

Pipeline

Eqtec Iberia has a strong pipeline of opportunities as set out below:

Continental Europe pipeline

Historically, the main presence of Eqtec Iberia has been in continental Europe with almost all previous projects built in this area.

Eqtec Iberia has recently built a 4 MWe plant in Bulgaria and a 1.2 MWe in Croatia.

In May 2017, Eqtec Iberia announced the signature of a MoU with energy services company Sense Esco to supply and install three gasification pants (and two pre-treatment plants) to process forestry and agro-industrial waste in Croatia. This pipeline of projects in Croatia will be held under a 51 per cent. owned joint venture, SEQTEC, in partnership with Sense Esco. This pipeline falls outside of the Collaboration Framework Agreement with Energy China and will see Eqtec Iberia operating as the primary EPC provider.

The new order follows on from the existing 1.2 MWe waste plant Belisce 1 already commissioned by Sense Esco. Sense Esco Limited, a Croatian energy efficiency company that is already commissioning a 1.2 MWe project in Croatia from Eqtec Iberia have signed a MoU whereby Eqtec Iberia will provide a turnkey solution including designing, supplying gasification technology, and commissioning three gasification plants for the conversion of waste. These three projects (one project of 1.3 MWe, one project of 1.1 MWe and one project of 2 MWe) will be commissioned in the next two years. Two of these projects are likely to start in Q1 2018.

Operation and maintenance

Eqtec Iberia has its own department that performs the O&M work in power plants that it builds.

The maintenance carried out is predictive, preventive and corrective, from a simple engine filter and oil change to complete engine overhaul.

Eqtec Iberia has also developed the Eqtec Monitoring Platform ("EMP"), a proprietary monitoring system allowing an easy and safe operation of the power plants using EGT. EMP enables remote connection and all power plants connected by DSL lines are monitored from a central control room located in the premises of Eqtec Iberia in its main offices. EMP also allows control of the power plants from a simple smartphone or tablet. The maintenance department oversees from its operation the monitoring control system, allowing the management and scheduling of maintenance operations thus ensuring a high level of operational readiness of the plants.

Annual reports are also issued on the plant operation, offers of consultation on annual reports to be drafted in generation plants under the Power Generation Special Scheme, as well as everything related to the sale of electricity, gas and feedstock/fuel supply contracts and new publications around legislation that has an effect on activity.

O&M services represent a source of recurring revenue. Currently, Eqtec Iberia has ongoing contracts providing O&M services to several cogeneration power plants in Spain and gasification plants in Continental Europe, and the number of O&M contracts should increase alongside the development and completion of the pipeline of projects.

PART III

RISK FACTORS

The attention of prospective investors is drawn to the fact that an investment in Ordinary Shares may not be suitable for all such investors and will involve a variety of risks which, if they occur, may have a materially adverse effect on the Enlarged Group's business or financial condition, results or future operations. In such case, the market price of the Ordinary Shares could decline and an investor might lose all or part of his or her investment.

In addition to the information set out in this document, the following risk factors should be considered carefully in evaluating whether to make an investment in the Enlarged Group. The following factors do not purport to be an exhaustive list or explanation of all the risk factors involved in investing in the Enlarged Group and they are not set out in any particular order of priority.

Additionally, there may be further risks of which the Directors and Proposed Directors are not aware or believe to be immaterial which may, in the future, adversely affect the Enlarged Group's business and the market price of the Ordinary Shares. In particular, the Enlarged Group's performance might be affected by changes in market and economic conditions and in legal, regulatory and tax requirements.

Before making a final investment decision, prospective investors should consider carefully whether an investment in the Enlarged Group is suitable for them in the light of their personal circumstances and the financial resources available to them. Any prospective investor who is in any doubt as to any action he should take, should consult with an independent financial adviser authorised under the FSMA, if the investor is in the United Kingdom or, if not, another appropriately authorised independent financial adviser, who specialises in advising on the acquisition of shares and other securities.

Risks relating to the acquisition

Conditionality of the Acquisition

Completion of the Acquisition is subject to the satisfaction (or waiver, where applicable) of a number of conditions, including, among other things, the passing of all of the Resolutions and Admission. There is no guarantee that the conditions will be satisfied (or waived, if applicable), in which case the Acquisition will not complete.

Limited recourse under the Acquisition Agreement

Under the terms of the Acquisition Agreement, the Enlarged Group is receiving warranties in relation to certain matters from the Vendors. The consideration under the Acquisition comprises the Consideration Shares rather than cash and the Enlarged Group has agreed that, subject to certain conditions, its remedy for breach of warranty will be the buyback by the Enlarged Group for a nominal amount of Consideration Shares having a value (based on the issue price of such shares) equal to the value of the warranty claim. In addition, there are customary limitations on the ability of the Enlarged Group to bring claims for breach of warranty both as to the time period during which claims may be brought and the quantum that may be recovered.

Risks relating to the Enlarged Group and its business

Financing arrangements

the Enlarged Group's growth depends on the successful implementation of new projects, all of which will require equity capital and/or debt in order to achieve returns acceptable to investors. A long delay or inability to raise financing for the projects could seriously impact the Enlarged Group's renewable energy development and ownership strategy and therefore its business, financial condition, trading performance and prospects.

The use of borrowings presents the risk that the Enlarged Group may be unable to service interest payments and principal repayments or comply with other requirements of its loans, rendering borrowings immediately repayable in whole or in part, together with any attendant cost, and the Enlarged Group might be forced to sell some of its assets to meet such obligations, with the risk that borrowings will not be able to be refinanced or that the terms of such refinancing may be less favourable than the existing terms of borrowing.

A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions which are beyond the Enlarged Group's control) may make it difficult for the Enlarged Group to obtain such new finance on attractive terms or even at all. If the Enlarged Group's borrowings become more expensive, relative to the income it receives from its investments, then the Enlarged Group's profits will be adversely affected.

Obligations to provide or support project financing

As noted in Part I of this document, Eqtec Iberia has entered into various MOUs in relation to potential waste gasification power plant projects with Energy China and project promoters. Some of these MOUs contain "best endeavours" obligations on Eqtec Iberia and Energy China to support the project promoter obtain the total capital required to finance the project and/or itself provide finance. It should be noted that, under English law, best endeavour type obligations can be particularly onerous on the party giving the obligation and the party giving the undertaking may be required to act to its detriment. In the case of the MOUs to which Eqtec Iberia is a party, there is some doubt as to the enforceability of those obligations given the lack of certainty as to what is required to satisfy them.

Obligations on Eqtec Iberia under cooperation agreement

Eqtec Iberia has entered into a cooperation agreement with Energy China dated 22 May 2017 which sets out the key terms on which the parties will collaborate on the procurement and the construction of waste gasification power plants in Melton Hull and Seal Sands. Energy China as the leading party has been granted authority to negotiate and sign contractual documents on behalf of Eqtec Iberia, potentially binding it to contractual obligations. In addition, it is also unclear as to how Eqtec Iberia and Energy China will allocate their respective liabilities under any subsequent EPC contracts for the projects. The cooperation agreement states that the parties shall design a mechanism to control the risks of the parties to implement the project and that Eqtec Iberia shall cooperate and be flexible with such mechanism. The Enlarged Group expects such mechanism, which has yet to be agreed, to deal with the allocation of liability between the parties. Eqtec Iberia is not a party to the EPC contracts and is intended to be a sub-contractor to Energy China and Enlarged Group expects Eqtec Iberia to be liable for the extent of the sub-contract works only.

Planning consent for future projects

In the UK and Ireland, obtaining planning consent for the installation of new generating plants is required in most cases and development criteria must be met, some of which may be subjective in nature. Accordingly, it is not possible to be certain that planning consent will be given in a timely manner, if at all.

Implementation of development projects

The Enlarged Group may not succeed in securing the supply of energy recovery from waste projects on favourable terms due to increased competition from organisations with greater access to capital and other resources, or a shortage of supply of such developments. Projects may be delayed in development or construction or affected by electricity connection or property rights issues. In addition the Enlarged Group will be dependent on the supply of equipment from manufacturers and contractors in order to construct renewable energy projects. The number and quality of the suppliers and the supply/demand balance may affect the Enlarged Group's ability to procure and construct projects. As a result the Enlarged Group's ability to achieve its business plan could be adversely affected.

Project performance

There is no guarantee that the Enlarged Group's projects will proceed at all or as planned, or in accordance with the expected timescale. Delay to the projects due to administrative or financial reasons, or failure of the projects to be completed or to operate as planned could have a substantial adverse effect on the Enlarged Group's prospects.

Revenues

Although the Directors and Proposed Directors have confidence in the Enlarged Group's future revenue earning potential, there can be no certainty that the Enlarged Group will achieve or sustain significant revenues, profitability or positive cash flow from its operating activities. This could impair the Enlarged Group's ability to sustain operations or secure any required funding.

Technology

The Enlarged Group intends to utilise different technologies for different projects, including those relating to gasification and cogeneration. Technology failure in any of these areas could impact expected revenues and earnings from operations and projects. Further, due to the long term nature of the proposed projects, there is a risk of technology redundancy over the medium to longer term.

Construction of plants

The Enlarged Group intends to use third party contractors to construct the power generation plants. The Enlarged Group intends to monitor closely the construction process. However, failure by such contractors to meet their obligations under their contractual agreements with the Enlarged Group could lead to a delay in the power generation plants becoming operational.

Competition risk

The Enlarged Group faces competitive pressure in two main areas namely, renewable energy development and the sale of renewable energy. In securing projects to develop and build, the Enlarged Group faces competition from other specialist developers and the development arms of major electricity generators and waste processors. The Enlarged Group also faces price competition from other renewable energy generators selling their renewable energy output into the market. There is no assurance that the Enlarged Group would be able to compete successfully in such market circumstances.

Such competition may cause a decrease in expected profit margins, and adversely affect the Enlarged Group's market share. Such competition may have a substantial adverse effect on the Enlarged Group's business, financial condition, trading performance and prospects.

Regulatory and political environment

The market for renewable electricity is heavily influenced by EU and national Governmental regulations and policies. There may be unforeseen changes in such regulation or policy, or other changes in terms upon which renewable energy is accredited or compensated under the relevant regulatory mechanism. Such changes could result directly or indirectly in a material reduction or abolition of the premium price received by producers of renewable energy.

New industry participants

To date, the renewable energy sector in the UK and Ireland has comprised a relatively small number of active participants. It is possible that other significant operators, including large established energy companies, may assume a significant role in the renewable energy sector, competing for project opportunities.

Furthermore, technological and manufacturing advances may reduce the cost of the technology utilised in the Enlarge Group's operations lowering the barriers to entry for other small companies looking to enter the market.

Change in public attitude

It is possible that the public's attitude towards renewable energy may change so as to make it more difficult to develop renewable energy projects, including obtaining planning approval for new waste transformation and biomass power generation plants. That change may result from social perceptions as to the visual and other environmental impact of such facilities.

Attraction and retention of key management, employees and technicians

The successful operation of the Enlarged Group will depend partly upon the performance and expertise of its current and future management, employees and technicians. The loss of the services of certain of these members of the Enlarged Group's key management or employees, or a loss of the ability to continue to attract and retain qualified employees and technicians may have a material adverse effect on the Group.

Potential payments due under consultancy agreements

Eqtec Iberia is party to various contracts with representatives in a number of jurisdictions whereby the representative is engaged to promote the equipment and services of Eqtec Iberia in the relevant jurisdiction. The representative is generally also authorised to negotiate sales contracts on behalf of Eqtec Iberia and will receive a commission on sales pursuant to such arrangements. There is a risk under Spanish law that these arrangements may be classified as agency agreement, despite express language to the contrary in these agreements, with the result that material compensation payments could be due from Eqtec Iberia if the relevant agreement was terminated early without cause.

Risks relating to the Enlarged Group and its business

The Enlarged Group is reliant on key executives and personnel

Given the relatively small size of the Enlarged Group, its business, development and prospects are dependent upon the continued services and performance of its Directors and other key personnel. The experience and commercial relationships of the Enlarged Group's personnel help provide the Enlarged Group with a competitive advantage. In order to be able to develop, support and maintain its business, the Enlarged Group must also recruit and retain suitably qualified personnel. There is no assurance that it will always be able to do so on a timely basis. The Directors believe that the loss of services of any existing key executives, for any reason, or failure to attract and retain necessary additional personnel, could adversely impact on the business, development, financial condition, results of operations and prospects of the Enlarged Group.

Key suppliers

The Enlarged Group has built up a reliable supplier base for its externally sourced materials. At present, a significant proportion of these materials are supplied by certain key suppliers. Any failures or delays may slow product development which in turn may have a material adverse effect on the business of the Enlarged Group, its financial condition and its future prospects. The Enlarged Group also enjoys close working relationships with machinery providers. Were these relationships to deteriorate or breakdown this could have a material adverse effect on the business of the Enlarged Group.

The Enlarged Group relies on the retention of key business relationships

Whilst the Enlarged Group has contractually bound trading arrangements with all of its key customers, it is theoretically exposed to the risk that some of these customers could change the basis on which they trade with the Enlarged Group in a way which could have a material adverse effect on the Enlarged Group's business, financial condition and future prospects.

Reputation is important in winning contracts with both new and existing customers

The Enlarged Group's reputation, in terms of the products and the services it provides and the way in which it conducts its business, is central to the Enlarged Group winning contracts with both new and existing customers. Failure to meet the expectations of these customers and other business partners may have a material adverse effect on the Enlarged Group's reputation, business, prospects, results of operation and financial condition. The Enlarged Group's future revenue growth and the contracts it wins depend on its ability to provide customers with high quality technology and a high quality of service. If the Enlarged Group is unable to provide customers with high quality technology and a high quality of service, it could face customer dissatisfaction, leading to decreased demand for its technology and services, a loss of revenue and damage to the Enlarged Group's reputation.

Disaster recovery

The Enlarged Group depends on the performance, reliability and availability of its technology and information technology systems. Any damage to, or failure of, its equipment and/or systems could result in disruption to the Enlarged Group's operations. The Enlarged Group's disaster recovery plans may not adequately address every potential event and its insurance policies may not cover any loss in full or in part (including losses resulting from business interruptions) or damage that it suffers fully or at all, which could have a material adverse effect on the Enlarged Group's business, financial condition and results of operation.

Business interruption

In the event that there is any disruption or interruption to the Enlarged Group's operations, this may adversely affect the Enlarged Group's ability to meet deadlines imposed by customers. In these circumstances, the Enlarged Group may become liable to financial penalties which could have an adverse effect on the Enlarged Group's financial performance. The Enlarged Group has business interruption insurance in place.

Product liability

The Enlarged Group's technology is used in industries and territories which are highly regulated. Whilst the Enlarged Group rigorously follows customer specification and quality requirements, there is a risk that the Enlarged Group may lose contracts or could be subject to fines or penalties for any non-compliance with the relevant regulations. Furthermore, there is a risk of litigation and reputational damage as well as product liability and indemnity risks.

No certainty that the Enlarged Group's insurance cover is adequate to protect against every eventuality

There can be no certainty that the Enlarged Group's insurance cover is adequate to protect against every eventuality. The Enlarged Group cannot be certain that it may not become a party to any insurance claim made either directly against the Enlarged Group, supplier or a customer. The occurrence of an event for which the Enlarged Group did not have adequate insurance cover could have a materially adverse effect on the business, financial condition and results of operations of the Enlarged Group.

Internal controls

Future growth and prospects for the Enlarged Group will depend on its management's ability to manage the business of the Enlarged Group and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Enlarged Group's growth could have a material adverse effect on the Enlarged Group's business, financial condition and results of operations.

Potential requirement for further investment

The Enlarged Group may require additional capital in the future for expansion of its activities and/or business development, whether from equity or debt sources. There can be no guarantee that the necessary funds will be available on a timely basis, on favourable terms, or at all, or that such funds if raised, would be sufficient. If additional funds are raised by issuing equity securities, material dilution to the then existing shareholdings may result. The level and timing of future expenditure will depend on a number of factors, many of which are outside of the Enlarged Group's control. If the Enlarged Group is not able to obtain additional capital on acceptable terms, or at all, it may be forced to curtail or abandon such expansion, activities and/or business development which could adversely impact upon the Enlarged Group, its business, development, financial condition, operating results or prospects.

Intellectual property

Any intellectual property, whether or not registered owned and/or used by the Enlarged Group in the course of its business or in respect of which the Enlarged Group believes it has rights, may be prejudiced and/or open to challenge by third parties (including where such third parties have or claim to have pre-existing rights in such intellectual property). In any such case, the Enlarged Group may be prevented from using such intellectual property or it may require the Enlarged Group to become involved in litigation to protect its intellectual property rights, each of which may have a material adverse effect on the Enlarged Group's reputation, business, prospects, results of operation and financial condition. Conversely, whilst the Directors believe the Enlarged Group has taken precautions, they cannot guarantee that any action or inaction by the Enlarged Group will not inadvertently infringe the intellectual property rights of others. Any infringement by the Enlarged Group of the intellectual property rights of others could have a material adverse effect on the Enlarged Group's reputation, business, prospects, results of operation and financial condition.

Health and safety

There are inherent risks to health and safety arising from the nature of the business conducted by the Enlarged Group, which accordingly requires the adoption and maintenance of a rigorous health and safety programme. Given health and safety regulatory requirements and the number of sites on which the Enlarged Group operates, health and safety performance of the Enlarged Group's technology is critical to the success of the business. Any failure in health and safety performance may result in penalties for noncompliance with relevant regulatory requirements and a failure which results in a major or significant health and safety incident, such as injury to, or fatality of, members of the workforce may be costly in terms of potential liabilities arising as a result. Furthermore, such a failure could generate adverse publicity and have a negative impact on the Enlarged Group's reputation. These failures may have a material adverse impact on the Enlarged Group's business, operating results, financial condition or prospects.

The Enlarged Group may become obligated to remunerate employees and former employees on the basis of recent interpretations of the Working Time Regulations relating to holiday pay.

The Enlarged Group is aware of recent decisions of the Court of Justice of the European Union and domestic courts, dealing with the issue of calculating holiday pay for workers. The decisions provide that a worker's holiday pay should include any element of remuneration "intrinsically linked" to tasks required under their contract. This is still an area of uncertainty, with further cases progressing through the Courts. However, the general direction of cases is that holiday pay should represent what a worker would have received had they been at work rather than on holiday. So if, for instance, a worker regularly receives commissions, regular bonuses, or carries out overtime work or receives unsocial hours' premiums, those additional payments should be factored into the holiday pay. This is to ensure that workers are not disincentivised from taking leave. This currently relates to the four weeks' leave that workers are entitled to under the Working Time Directive. The Directors believe the Enlarged Group may become liable to provide additional remuneration to current and potentially former employees. The Enlarged Group's labour costs going forward could also increase as a result of the recent decisions. Claims can be brought for unlawful deductions of wages, breach of contract (following termination) and for breaches of the Working Time Regulations. There is now a two year back stop on unlawful deduction from wages claims. There is also a point under appeal which may further limit liability. If the Enlarged Group is required to pay retroactive remuneration it is possible that the Enlarged Group's cash position might be adversely affected, which could have a material adverse effect on the results of operations and financial condition of the Enlarged Group.

Investment Risks

An investment in the Ordinary Shares is only suitable for [financially sophisticated investors] who are capable of evaluating the merits and risks of such an investment, or other investors who have been professionally advised with regard to the investment, and who have sufficient resources to be able to bear any losses that may arise therefrom (which may be the whole amount invested). Such an investment should be seen as complementary to existing investments in a wide spread of other financial assets and should not form a major part of an investment portfolio. Investors should not consider investing in the Ordinary Shares unless they already have a diversified investment portfolio. Prospective investors should be aware that the value of an investment in the Enlarged Group may go down as well as up and investors may therefore not recover or may lose all of their original investment. In addition, the price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Enlarged Group, and others of which are extraneous. These factors could include the performance of the Enlarged Group's business, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory or taxation changes, general economic and political conditions and interest and inflation rate variations. The value of the Ordinary Shares may therefore fluctuate and not reflect their underlying asset value.

The future performance of the Enlarged Group cannot be guaranteed

There is no certainty and no representation or warranty given by any person that the Enlarged Group will be able to achieve any returns referred to in this document. The financial operations of the Enlarged Group may be adversely affected by general economic conditions (for example, in relation to interest rates, inflation rates, exchange rates, rates of tax, industry conditions, regulatory protection, competition, social, political and diplomatic events and other factors), by conditions within the global financial markets generally or by the particular financial condition of other parties doing business with the Enlarged Group.

Economic conditions and current economic weakness

Any economic downturn either globally or locally in any area in which the Enlarged Group operates may have an adverse effect on the demand for the Enlarged Group's services. A more prolonged economic downturn may lead to an overall decline in the Group's revenues, restricting the Enlarged Group's ability to generate a profit. In addition, although signs of economic recovery have been perceptible in certain countries, the sustainability of a global economic upturn is not yet assured. If economic conditions remain uncertain this might have an adverse impact on the Enlarged Group's operations and business results.

The determination by the United Kingdom to exit its relationship with the European Union

The UK has given notice under Article 50 of the Treaty on European Union of its intention to leave the EU and will seek to negotiate the terms for it leaving the EU with the intention that those negotiations and the UK's departure are finalised by March 2019. The precise outcome of those negotiations is not clear and there is also the prospect that timelines may be extended and that there may be transitional arrangements that extend well beyond March 2019. There is also the prospect that no agreement will be reached meaning that the UK would be left relying on World Trade Organisation rules for ongoing trade with the EU (and the wider European Single Market). There are significant uncertainties in relation to the terms and time frame within which such an exit would be effected, and there are significant uncertainties as to what the impact will be on the fiscal, monetary and regulatory landscape in the UK, including inter alia, the UK's tax system, the conduct of cross border business and export and import tariffs. The prospect of Brexit and the uncertainties of timing and outcome may very well result in a number of negative economic consequences for the UK and to a lesser extent across the EU. As a result, growth in both the UK and EU economies may be reduced and this could have a detrimental impact on the market in which the Enlarged Group operates and therefore on its overall financial performance. While the UK is in the process of leaving the EU, there may be exaggerated fluctuations in the value of Sterling as negotiations continue and as key developments become public. If it looks like there will be no negotiated trade deal this is likely to have a serious detrimental effect on the value of Sterling. On the other hand, the value of Sterling may rise significantly if it looks like a more attractive outcome will be achieved. This additional currency volatility will exaggerate any FX risk mentioned above. In addition, the overall effect on the UK economy of Brexit and any associated political uncertainties both during Brexit negotiations and beyond may have a negative effect on UK financial markets meaning that the traded value of the Enlarged Group's shares and/or liquidity in those shares is detrimentally impacted. Generally negative sentiments towards the UK and/or any generally pessimistic view of its economic prospects post Brexit could detrimentally affect the willingness of EU and other non-UK parties to trade with UK-owned companies and groups. This could impact on the financial performance of the Group. These factors could also make it more difficult for the Group in future to [pursue its acquisition strategy and] to recruit and/or retain senior employees and executives.

Currency and foreign exchange

A portion of the Enlarged Group's business is carried out in currencies other than Euros. To the extent that there are fluctuations in exchange rates, this could have a material impact on the Enlarged Group's financial position or results of operation, as shown in the Enlarged Group's accounts going forward. The Enlarged Group may engage in foreign currency hedging transactions to mitigate potential foreign currency exposure. The Directors cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the business, operating results or financial condition of the Enlarged Group.

Laws and regulations

The Enlarged Group is subject to the laws of the countries and states in which it trades, including but not limited to The United Kingdom, Ireland, Spain, Croatia, Bulgaria, The European Union and others. Existing and future legislation and regulation could cause additional expense, capital expenditure and restrictions and delays in the activities of the Enlarged Group, the extent of which cannot be predicted. No assurance can be given that new laws, rules and regulations will not be enacted or existing laws, rules and regulations will not be applied in a manner which could limit or curtail certain of the Enlarged Group's activities or services. In addition, the Enlarged Group may have to defend itself against legal proceedings which could have an adverse effect on trading performance and, in turn, future profits. There is an additional risk that the legal and/or regulatory regimes of the countries prove to be costly, with the time and money spent in penetrating new markets causing disruption and harm to the Enlarged Group's existing business. The Enlarged Group also operates overseas and therefore its operations may be subject to existing and future overseas legislation and regulation and similar risks therefore also applying in relation to such overseas existing and future legislation and regulation. The Directors believe that the cost of any changes or introduction of new laws and regulations, for any reason, or failure to meet existing laws and regulations, could adversely impact on the business, development, financial condition, results of operations and prospects of the Enlarged Group.

Risks relating to an investment in the ordinary shares

Trading and performance of Ordinary Shares

The AIM Rules are less demanding than those of the Official List and an investment in a company whose shares are traded on AIM is likely to carry a higher risk than an investment in a company whose shares are quoted on the Official List. It may be more difficult for investors to realise their investment in a company whose shares are traded on AIM than to realise an investment in a company whose shares are quoted on the Official List. The share price of publicly traded, early stage companies can be highly volatile. The price at which the Ordinary Shares will be traded and the price at which investors may realise these investments will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and some which may affect quoted companies generally. The value of Ordinary Shares will be dependent upon the success of the operational activities undertaken by the Enlarged Group and prospective investors should be aware that the value of the Ordinary Shares can go down as well as up. Furthermore, there is no guarantee that the market price of an Ordinary Share will accurately reflect its underlying value.

Volatility of share price

The trading price of the Ordinary Shares may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, announcements of innovations or new services by the Enlarged Group or its competitors, changes in financial estimates and recommendations by securities analysts, the share price performance of other companies that investors may deem comparable to the Enlarged Group, news reports relating to trends in the Enlarged Group's markets, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. These fluctuations may adversely affect the trading price of the Ordinary Shares, regardless of the Enlarged Group's performance.

Future sales of Ordinary Shares could adversely affect the price of the Ordinary Shares

The Locked-in Parties have given lock-in undertakings that, save in certain circumstances, they will not until twelve months following Admission, be permitted to dispose of the legal or beneficial ownership of, or any other interest in, Ordinary Shares held by them. There can be no assurance that such parties will not effect transactions upon the expiry of the lock-in or any earlier waiver of the provisions of their lock-in. The sale of a significant number of Ordinary Shares in the public market, or the perception that such sales may occur, could materially adversely affect the market price of the Ordinary Shares.

Shareholders not subject to lock-in arrangements and, following the expiry of twelve months following Admission (or earlier in the event of a waiver of the provisions of the lock-in), the Locked-In Parties, may sell their Ordinary Shares in the public or private market and the Enlarged Group may undertake a public or private offering of Ordinary Shares. The Enlarged Group cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If the Enlarged Group's existing shareholders were to sell, or the Enlarged Group was to issue a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be materially adversely affected. Sales by the Enlarged Group's existing Shareholders could also make it more difficult for the Enlarged Group to sell equity securities in the future at a time and price that it deems appropriate.

Dilution of Shareholders' interests as a result of additional equity fundraising

The Enlarged Group may need to raise additional funds in the future to finance, among other things, working capital, expansion of the Enlarged Group, new developments relating to existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Enlarged Group other than on a *pro rata* basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Ordinary Shares. The Enlarged Group may also issue shares as consideration shares on acquisitions or investments which would also dilute Shareholders' respective shareholdings.

Dividends

There can be no assurance as to the level of future dividends. The declaration, payment and amount of any future dividends of the Enlarged Group are subject to the discretion of the Shareholders or, in the case of interim dividends to the discretion of the Directors, and will depend upon, among other things, the Enlarged Group's earnings, financial position, cash requirements, availability of profits, as well as provisions for relevant laws or generally accepted accounting principles from time to time. Although the Board intends to pay dividends to Shareholders in the future, there can be no assurance that the Enlarged Group will declare and pay, or have the ability to declare and pay, any dividends in the future.

The specific and general risk factors detailed above do not include those risks associated with the Enlarged Group which are unknown to the Directors. Although the Directors will seek to minimise the impact of the risk factors, investment in the Enlarged Group should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any decision to invest.

PART IV

HISTORICAL FINANCIAL INFORMATION ON EQTEC PLC

The Company has published its annual report and accounts for the years ended 30 June 2015, 30 June 2016 and 30 June 2017, and its unaudited half year results for the six months ended 31 December 2015 and for the six months ended 31 December 2016 (together, the "Accounts"). Pursuant to Rule 26 of the AIM Rules for Companies, the Accounts are available free of charge from the Company's website at www.eqtecplc.com and also from the offices of Eqtec plc, Building 1000, Citygate, Mahon, Cork, Ireland up to and including the date of Admission and therefore have not been reproduced in this document, instead being incorporated by reference.

Shareholders may request a hard copy of the source information from the Company's registered office as above or by telephone to +353 (0)21 2409056.

PART V

HISTORICAL FINANCIAL INFORMATION ON THE EQTEC IBERIA GROUP

SECTION A: ACCOUNTANT'S REPORT

Crowe Clark Whitehill LLP
Chartered Accountants
Member of Crowe Horwath International
St Bride's House
10 Salisbury Square
London EC4Y 8EH, UK
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DX: 0014 London Chancery Lane
www.croweclarkwhitehill.co.uk

27 November 2017

The Directors
Eqtec Plc
Building 1000
City Gate
Mahon
Cork
Ireland

The Directors
Northland Capital Partners Limited
60 Gresham Street
4th Floor
London EC2V 7BB

Dear Sirs,

Introduction

We report on the audited consolidated historical financial information of the Eqtec Iberia Group set out in Section V of Part B (the "Historical Financial Information") of the Admission document dated 27 November 2017 (the "Document") of the Company. This Historical Financial Information has been prepared for inclusion in the Document on the basis of preparation and accounting policies set out in note 3 and 4 to the Historical Financial Information. This report is required by paragraph 20.1 of Annex 1 of the Prospectus Directive Regulation as applied by part (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the Historical Financial Information on the basis of preparation and accounting policies set out in note 3 and 4 to the Historical Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the Historical Financial Information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Eqtec Iberia Group as at the date stated and of the results, financial position, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 3 to the Historical Financial Information and International Financial Reporting Standards as adopted by the European Union.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully,

Crowe Clark Whitehill LLP
Chartered Accountants

SECTION B: HISTORICAL FINANCIAL INFORMATION

Consolidated Statements of Comprehensive Income

The consolidated statements of comprehensive income of the Eqtec Iberia Group as at 31 December 2014, 2015, and 2016 are set out below:

	Note	*31.12.2014 EUR'000*	*31.12.2015 EUR'000*	*31.12.2016 EUR'000*
Revenue	15	13,284	6,862	2,795
Cost of sales		(10,368)	(5,079)	(2,494)
Gross profit		2,916	1,783	301
Other income	16	96	9	22
Work performed by the entity and capitalized		–	120	180
Expenses for hired services		(470)	(600)	(686)
Employee benefit expenses		(1,002)	(1,158)	(1,043)
Depreciation and amortization		(66)	(129)	(136)
Over provisions		83	16	–
Profit/(loss) from operations		1,557	41	(1,362)
Finance income		–	22	32
Finance costs		(23)	(20)	(42)
Exchange losses		–	(9)	–
Other losses		–	(2)	–
Profit/(loss) before tax	17	1,534	32	(1,372)
Income tax benefit/(expense)	18	(238)	24	327
Profit attributable to owners of EQTEC IBERIA		1,296	56	(1,045)
Other comprehensive income		–	–	–
Total comprehensive income for the period		1,296	56	(1,045)
Basic and diluted earnings per share:	19	36.78	1.59	(29.69)

Consolidated Statements of Financial Position

The consolidated statements of financial position of the Eqtec Iberia Group as at 31 December 2014, 2015, and 2016 are set out below:

	Note	*31.12.2014* *EUR'000*	*31.12.2015* *EUR'000*	*31.12.2016* *EUR'000*
Assets				
Property, plant and equipment	5	159	141	126
Intangible assets	6	442	557	735
Investments		3	2	2
Financial instruments. Loans and bonds		–	372	403
Other financial instruments		5	17	17
Deferred tax assets	7	–	60	388
Total non-current assets		609	1,149	1,671
Inventory	8	136	593	363
Trade and other receivables	9	1,594	1,378	1,975
Cash at bank and in hand	10	2,100	1,140	113
Prepayments		89	10	26
Total current assets		3,919	3,121	2,477
Total assets		4,528	4,270	4,148
Current liabilities				
Trade and other payables	13	2,308	1,186	843
Bank loans	14	40	671	731
Loans due to related parties	14	–	–	870
Deferred income		39	107	122
Total current liabilities		2,387	1,964	2,566
Non-current liabilities				
Bank loans	14	29	138	460
Deferred tax liabilities		1	1	–
Total non-current liabilities		30	139	460
Total liabilities		2,417	2,103	3,026
Equity				
Share capital	11	211	211	211
Share premium		349	349	349
Retained earnings	12	1,468	1,503	458
Capitalisation reserve	12	83	104	104
Equity attributable to owners of the parent		2,111	2,167	1,122
Total equity		2,111	2,167	1,122
Total equity and liabilities		4,528	4,270	4,148

Consolidated Statements of Changes in Equity

The consolidated statements of changes in equity the Eqtec Iberia Group as at 31 December 2014, 2015, and 2016 are set out below:

	Share capital EUR'000	*Share premium EUR'000*	*Capitalisation reserve EUR'000*	*Retained earnings EUR'000*	*Total equity EUR'000*
Equity as at 1 January 2014	211	349	83	172	815
Total comprehensive income for the year	–	–	–	1,296	1,296
Other Changes in Equity	–	–	–	–	–
Balance at 31 December 2014	211	349	83	1,468	2,111

	Share capital EUR'000	*Share premium EUR'000*	*Capitalisation reserve EUR'000*	*Retained earnings EUR'000*	*Total equity EUR'000*
Balance at 1 January 2015	211	349	83	1,468	2,111
Total comprehensive income for the year	–	–	–	56	56
Changes in accounting policy	–	–	–	–	–
Transfers between reserves	–	–	21	(21)	–
Balance at 31 December 2015	211	349	104	1,503	2,167

	Share capital EUR'000	*Share premium EUR'000*	*Capitalisation reserve EUR'000*	*Retained earnings EUR'000*	*Total equity EUR'000*
Balance at 1 January 2016	211	349	104	1,503	2,167
Total comprehensive income for the year	–	–	–	(1,045)	(1,045)
Other Changes in Equity	–	–	–	–	–
Balance at 31 December 2016	211	349	104	458	1,122

Consolidated Statements of Cash Flows

The consolidated statements of cash flows of the Eqtec Iberia Group as at 31 December 2014, 2015, and 2016 are set out below:

	2014 *EUR'000*	*2015* *EUR'000*	*2016* *EUR'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax	1,534	32	(1,373)
Income tax expense	–	24	327
Adjustments to profit:			
Depreciation and amortization	66	129	136
Interest expense	23	20	42
Interest income	–	(22)	(32)
Other incomes & expenses	–	9	–
Changes in provisions	(83)	(16)	1
Gains (losses) from disposals of non-current assets	–	20	–
Cash flows from operations before working capital changes	1,540	196	(899)
Change in:			
Inventories	(27)	(457)	230
Trade and other payables	1,497	(1,121)	(343)
Trade and other receivables	(1,272)	216	(597)
Other current assets	–	–	(16)
Other current liabilities	–	–	14
Cash flow generated from operations	1,738	(1,166)	(1,611)
Other cash flow from operating activities			
Interest paid	(22)	(20)	(42)
Interest received	–	22	32
Income tax paid	2	12	–
Other cash flows from operations activities	(50)	–	–
Gants, donations and bequests received	90	–	–
Net cash flow from/(used in) operating activities	1,758	(1,152)	(1,621)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(25)	–	(12)
Acquisition of intangible assets	(278)	(96)	(287)
Acquisition of other financial assets	–	(383)	(31)
Other financial assets	–	–	(328)
Net cash flows used in investing activities	(303)	(479)	(658)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from parent	–	–	870
Proceeds from bank borrowing	11	825	816
Repayment of bank borrowing	(169)	(154)	(434)
Net cash flows from financing activities	(158)	671	1,252
Net increase in cash and cash equivalents	1,297	(960)	(1,027)
Cash and cash equivalents at 1 of January	804	2,100	1,140
Net Foreign Exchange difference	(1)	–	–
Cash and cash equivalents at 31 of December	2,100	1,140	113

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Eqtec Iberia is a private company limited by shares and was incorporated on 23 of May 1997.

The registered office and principal place of business are as follows:

Registered office:	Garbi, 13, 08180 Parets del Vallès (Barcelona), Spain
Mercantile Register:	Barcelona Code register 08005. Tomo 29872, Folio 192. Hoja. 163845
Principal place of business:	Rosa Sensat, 9-11 5th floor, 08005 Barcelona, Spain

The Directors present their non-statutory financial information of the Eqtec Iberia Group as at 31 December 2014, 2015, and 2016.

2. PRINCIPAL ACTIVITIES

The principal activities of Eqtec Iberia is to design, build, operate, and maintain its unique Eqtec Gasifier Technology to power plants as well as to substitute fuel producers and to sell complete Cogeneration Power Plants using different type of feedstocks (such as natural gas, waste or biomass).

3. BASIS OF PREPARATION

The financial information has been prepared in accordance with IFRS as adopted by the EU issued by the International Accounting Standards Board ("IASB"), including related Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Eqtec Iberia has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the International Accounting Standards Board (IASB) but are not yet effective for the current financial period:

IFRSs and IC Interpretations (Including The Consequential Amendments)	*Effective Date*
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers	1 January 2018
IFRS 16 Leases	1 January 2019

The impact of the above accounting standards and interpretations (including the consequential amendments) are currently being reviewed for the potential impact of adoption. Any material changes will be disclosed in the year the impact has been assessed.

3.1 *BASIS OF CONSOLIDATION*

(a) **Business combinations**

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date at which control is transferred to the Eqtec Iberia Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Eqtec Iberia Group takes into consideration potential voting rights that are currently exercisable.

The Eqtec Iberia Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed

(b) **Non-controlling interests**

For each business combination, the Eqtec Iberia Group elects to measure any non-controlling interests in the acquiree either:

- At fair value; or
- At their proportionate share of the acquiree's identifiable net assets, which are generally at fair value

Changes in the Eqtec Iberia Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

(c) **Subsidiaries**

Subsidiaries are entities controlled by the Eqtec Iberia Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsidiaries consolidated into the accounts of the company are as follows:

Eqtec Bulgaria EOOD	100 per cent. subsidiary company

(d) **Loss of control**

On the loss of control, the Eqtec Iberia Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Eqtec Iberia Group retains any interest in the previous subsidiary, then such interest is measured at the fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(e) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expense arising from intra-group transactions, should be eliminated in preparing the consolidated financial statements.

(f) **Acquisition from entities under common control**

A business combination under common control is a transaction in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the transaction. These combinations occur where the direct ownership of subsidiaries changes but the ultimate parent remains the same.

The Eqtec Iberia Group policy is to apply IFRS 3 'Business combinations' by analogy in accounting for business combinations under common control and acquisitions accounting is applied to the acquired business.

When the consideration transferred is less than the fair value of the identifiable assets acquired, the difference is recognised in equity as a capital contribution from the shareholders of the acquirer. When the consideration transferred exceeds the fair value of the identifiable net assets acquired the difference is recognised as goodwill in the statement of financial position.

(g) **Provisional acquisition accounting**

The Eqtec Iberia Group applies provisional acquisition accounting assuming that the acquisition accounting for some amounts is incomplete. Adjustments made to the acquisition accounting during the measurement period may affect the recognition and measurement of assets acquired and liabilities assumed, any non-controlling interests, consideration transferred, any pre-existing interest in the acquire, and goodwill or any gain on a bargain purchase. During the measurement period the acquirer shall retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed on the acquisition date and, if known, would have affected the measurement amounts recognised at this date. The measurement period ends when the acquirer obtains all information that is necessary to complete the acquisition accounting, or learns that more information is not available, and cannot exceed one year from the acquisition date.

Adjustments made during the measurement period are recognised retrospectively and comparative information is revised – i.e. as if the accounting for the business combination had been completed at the acquisition date.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 *CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS*

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Eqtec Iberia Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(a) **Going Concern basis of accounting**

At the balance sheet date the Eqtec Iberia Group had cash resources (being cash and cash equivalents) as set out in the cash flow statement.

The Directors monitor future cash requirements against current resources and the availability of future funding, which includes the proceeds expected in connection with Placing and Admission to AIM, and have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of this Historical Financial Information. In developing these forecasts, they make enquiries and form assumptions as to future revenues and expenditures based upon their view of the current and future economic conditions that will prevail over the forecast period.

Having considered uncertainties under the current economic environment, and after making enquiries, the Directors have a reasonable expectation that resources are adequate to continue in operation for the foreseeable future. Accordingly, they have adopted the going-concern basis in preparing the Historical Financial Information.

(b) **Revenue recognition and valuation of unbilled revenue on customer contracts**

The Eqtec Iberia Group reviews its unbilled revenue for each project on a regular basis to determine whether the amount is a true reflection of the amount that will be invoiced in respect of the project. Where the review determines that the value of unbilled revenue exceeds the amount that will be invoiced, adjustments are made to the unbilled revenue. The valuation of the unbilled revenue involves estimates of the amount of work required to complete the project. Changes in estimates could lead to the under or overvaluation of unbilled revenue.

(c) **Income taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Eqtec Iberia Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(d) **Impairment of non-financial assets**

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(e) **Write-down of inventories**

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(f) **Recognition of tax losses**

Deferred tax balances are recognised in respect of all timing differences that have originated but been not reversed by the Statement of financial position date except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowance have been met.

(g) **Impairment of trade and other receivables**

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

4.2 ***FUNCTIONAL AND FOREIGN CURRENCIES***

(a) **Functional and presentation currency**

The financial information is presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The financial information is presented in euros (€), which is Eqtec Iberia's functional currency and the presentation currency.

(b) **Transactions and balances**

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4.3 ***FINANCIAL INSTRUMENTS***

Financial instruments are recognised in the consolidated statements of financial position when the Eqtec Iberia Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Eqtec Iberia Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate.

Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the consolidated statements of financial position are disclosed in the individual policy statement associated with each item.

(a) **Financial assets**

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) *Financial Assets at Fair Value through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when The Eqtec Iberia Group's right to receive payment is established.

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) *Loans and receivables financial assets*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are re-measured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Eqtec Iberia Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

As at the end of the reporting period, there were no financial assets classified under this category.

(b) **Financial liabilities**

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(c) **Equity instruments**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) **Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.4 *PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES*

(a) **Owned assets**

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use.

(b) **Depreciation**

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line basis to write off the depreciable amount of the assets net of the estimated residual values over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:

	Estimated Useful Lives
Plant and machinery	7-14
Fixture and fittings	10
Motor vehicles	6
Computer equipment	4
Intangible software	3
Intangible patents and trademarks	5

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

(c) **Cost**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Eqtec Iberia Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which Eqtec Iberia is obligated to incur when the asset is acquired, if applicable.

Development costs relate to costs of acquiring patents and trademarks that are expected to be transferred to patents and trademarks intangibles when the patent or trademark is granted.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

4.5 ***IMPAIRMENT***

(a) **Impairment of financial assets**

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(b) **Impairment of non-financial assets**

The carrying values of assets, other than those to which IAS 36 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.6 *INVENTORIES*

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Cost of raw materials comprises the original cost of purchase plus costs of bringing the inventories to their present location and condition.

The cost of finished goods and work in progress include the cost of raw materials, direct labour and a proportion of manufacturing overheads based on normal operating capacity of the manufacturing facilities.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

4.7 *INCOME TAXES*

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

(1) Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(2) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

(3) Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

    Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity.

4.8 *CASH AND CASH EQUIVALENTS*

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.9 *EMPLOYEE BENEFITS*

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Eqtec Iberia Group.

4.10 ***RELATED PARTIES***

A party is related to an entity (referred to as the "reporting entity") if:

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a) above.

(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.11 ***FAIR VALUE MEASUREMENT***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability. The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.12 ***REVENUE AND OTHER INCOME***

(a) **Construction contract revenue**

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit and loss in proportion to the stage of completion of the contract.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of construction contracts cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit and loss.

(b) **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Eqtec Iberia Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

(c) **Interest income**

Interest income is recognised on an accrual basis using the effective interest method.

5. PROPERTY, PLANT AND EQUIPMENT

	Equipment EUR'000	*Furniture EUR'000*	*Computers EUR'000*	*Vehicles EUR'000*	*Total EUR'000*
Cost					
Balance at 31 December 2013	122	61	54	107	344
Additions	2	6	17	–	25
Disposals	(4)	(8)	(37)	(39)	(88)
At 31 December 2014	120	59	34	68	281
Depreciation					
Balance at 31 December 2013	21	33	42	83	179
Charge for the period	5	(2)	(30)	(30)	(57)
Balance at 31 December 2014	26	31	12	53	122
Net book value					
At 31 December 2013	101	28	12	24	165
At 31 December 2014	94	28	22	15	159

	Equipment EUR'000	Furniture EUR'000	Computers EUR'000	Vehicles EUR'000	Total EUR'000
Cost					
At 31 December 2014	120	59	34	68	281
Additions	–	14	1	–	15
Disposals	–	–	(6)	(14)	(20)
At 31 December 2015	120	73	29	54	276
Depreciation					
Balance at 31 December 2014	26	31	12	53	122
Charge for the period	9	5	9	9	32
Disposals	–	–	(6)	(14)	(20)
Reclassifications	–	5	–	(5)	–
Balance at 31 December 2015	35	41	15	44	135
Net book value					
At 31 December 2014	94	28	22	15	159
At 31 December 2015	85	32	14	10	141

	Equipment EUR'000	Furniture EUR'000	Computers EUR'000	Vehicles EUR'000	Total EUR'000
Cost					
At 31 December 2015	120	73	29	54	276
Additions	1	10	1	–	12
Disposals	(1)	(17)	(2)	–	(20)
At 31 December 2016	120	66	28	54	268
Depreciation					
Balance at 31 December 2015	35	41	15	44	135
Charge for the period	9	7	7	4	27
Disposals	(1)	(17)	(2)	–	(20)
Balance at 31 December 2016	43	31	20	48	142
Net book value					
At 31 December 2015	85	32	14	10	141
At 31 December 2016	77	35	8	6	126

(a) All property, plant and equipment held by the Eqtec Iberia Group are located in Spain and Bulgaria.

(b) No property, plant and equipment have been pledged to licensed banks as security for banking facilities granted.

6. INTANGIBLE ASSETS

	Development costs in progress EUR'000	*Patents and trademarks EUR'000*	*Software EUR'000*	*Total EUR'000*
Cost				
Balance at 31 December 2013	186	–	67	253
Additions	36	206	35	277
Reclassification	(186)	186	1	1
Disposals	–	–	(31)	(31)
Balance at 31 December 2014	36	392	72	500
Amortisation				
Balance at 1 January 2014	–	–	54	54
Charge for the period	–	21	–	21
On disposals	–	–	(17)	(17)
Balance at 31 December 2014	–	21	37	58
Net book value				
At 31 December 2013	186	–	13	199
At 31 December 2014	36	371	35	442

	Development costs in progress EUR'000	*Patents and trademarks EUR'000*	*Software EUR'000*	*Total EUR'000*
Cost				
Balance at 31 December 2014	36	392	72	500
Additions	210	–	(1)	209
Balance at 31 December 2015	246	392	71	709
Amortisation				
Balance at 31 December 2014	–	21	37	58
Charge for the period	–	79	16	95
Reclassifications	–	–	(1)	(1)
Balance at 31 December 2015	–	100	52	152
Net book value				
At 31 December 2014	36	371	35	442
At 31 December 2015	246	292	19	557

	Development costs in progress EUR'000	*Patents and trademarks EUR'000*	*Software EUR'000*	*Total EUR'000*
Cost				
Balance at 31 December 2015	246	392	71	709
Additions	11	276	–	287
Reclassification	(235)	235	–	–
Disposals	–	–	(37)	(37)
Balance at 31 December 2016	22	903	34	959
Amortization				
Balance at 31 December 2015	–	100	52	152
Charge for the period	–	96	13	109
Disposals	–	–	(37)	(37)
Balance at 31 December 2016	–	196	28	224
Net book value				
At 31 December 2015	246	292	19	557
At 31 December 2016	22	707	6	735

7. DEFERRED TAX ASSETS

	As at 31 December		
	2014 EUR'000	*2015 EUR'000*	*2016 EUR'000*
Deferred taxes from R&D			
Deduction	–	76	96
Deduction rate	12%	12%	12%
Deferred tax asset from R&D	–	9	12
Deferred taxes from losses			
Deduction	–	205	1,264
Deduction rate	25%	25%	25%
Deferred tax asset from R&D	–	51	316
Total deferred tax assets	–	60	328
Amount brought forward from prior year	–	–	60
Total deferred tax asset	–	60	388

8. INVENTORIES

	As at 31 December		
	2014 EUR'000	*2015 EUR'000*	*2016 EUR'000*
At cost			
Work in progress	122	417	187
Finished goods	14	176	176
	136	593	363

9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	As at 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Trade receivables	329	534	995
Due from related parties (note 20)	886	690	910
Other receivables	41	26	–
Refundable VAT/Corporate Tax	338	128	33
Amount owing by a director (note 20)	–	–	37
	1,594	1,378	1,975

10. CASH AND BANK BALANCES

	As at 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Petty cash	1	1	1
Cash at bank	2,099	1,139	112
Cash and cash equivalents	2,100	1,140	113

11. SHARE CAPITAL

The movements in the registered capital of the Eqtec Iberia Group are as follows:

	As at 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Fully Paid-Up			
35,234 (2015: 35,234; 2014: 35,234) ordinary shares	211	211	211
Share Premium At 1 January	349	349	349
Addition	–	–	–

12. RESERVES

	As at 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Capitalisation reserve	83	104	104
Translation reserve	–	–	–
Retained profits	1,468	1,503	458

The capitalisation reserve is the aggregate of 10 per cent. of the increase in equity made in the preceding year, provided that the equity is maintained for a period of five years (except when losses are made), subject to a limit of 10 per cent. of the positive tax base of the period prior to this reduction. If this tax base is insufficient, pending amounts may be offset in subsequent tax periods. To apply this tax relief, a reserve should be allocated for the amount of the reduction, which should be undistributable for a period of five years.

13. TRADE PAYABLES AND OTHER PAYABLES

	As at 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Trade payable	1,119	839	662
Due to related parties (note 20)	283	–	50
Taxes payable	639	292	62
Compulsory social security	15	14	29
Other payable	244	34	31
Accrued salary	8	7	9
	2,308	1,186	843

14. BANK LOANS AND OVERDRAFT

The Eqtec Iberia Group's interest-bearing bank borrowings were unsecured

There are no guaranteed Loans by any director, company property or related party.

The related party loan listed below ranks after bank borrowings.

31 December 2016

Loans	*Expiration Date*	*Interest terms*	*Initial amount EUR'000*	*Interest rate*	*Short Term*	*Long Term*	*At 31 December 2016*
Caixabank	26/06/2017	Variable	32	4.519%	5	–	5
Banc Sabadell	20/07/2017	Fixed	5	5.133%	1	–	1
Caixabank. Ptmo	30/04/2017	Fixed	250	2.750%	53	–	53
BBVA. Ptmo	28/04/2018	Variable: Euribor +2.45%	150	2.550%	51	17	68
Banco Popular	13/01/2021	Variable: Euribor +2.90%	350	2.800%	77	273	350
Banco Popular	30/06/2017	Fixed	250	2.800%	248	–	248
Banco Santander	29/12/2019	Variable: Euribor +4.00%	250	3.920%	80	170	250
Caixabank	30/04/2017	Fixed	250	4.000%	216	–	216
EBIOSS-Energy AD	30/04/2017	Fixed	870	5.000%	870	–	870
					1,601	460	2,061

EUR'000

	Total	*up to 1 year*	*1-2 years*	*2-5 years*	*More than 5 years*
Short term loans	731	731	–	–	–
Loans due to related parties	870	870	–	–	–
Long term bank loans	460	–	17	443	–
	2,061	1,601	17	443	–

31.12.2015

Loans	*Expiration Date*	*Interest terms*	*Initial amount EUR'000*	*Interest rate*	*Short Term*	*Long Term*	*At 31 December 20165*
Caixabank. Ptmo	15/06/2016	Variable	92	6.165%	11	–	11
Caixabank	26/06/2017	Variable	32	4.699%	11	5	16
Banc Sabadell	20/07/2017	Fixed	5	5.133%	2	1	3
Caixabank. Ptmo	30/04/2017	Fixed	250	2.750%	115	64	179
BBVA. Ptmo	28/04/2018	Variable: Euribor +2.45%	150	2.550%	49	68	117
Banco Ptmo	28/04/2016	Variable	15	2.000%	5	–	5
Banco Popular	22/06/2016	Variable	205	1.800%	247	–	247
Banco Santander	11/12/2016	Variable	250	2.100%	231	–	231
					671	138	809

EUR'000

	Total	*up to 1 year*	*1-2 years*	*2-5 years*	*More than 5 years*
Short term loans	671	671	–	–	–
Long term bank loans	138	–	70	68	–
	809	671	70	68	–

31.12.2014

Loans	*Expiration Date*	*Interest terms*	*Initial amount EUR'000*	*Interest rate*	*Short Term*	*Long Term*	*At 31 December 2014*
Caixabank. Ptmo	15/06/2016	Variable	92	6.165%	20	10	30
Banco Sabadell Int variable	31/03/2015	Variable	14	3.433%	1	–	1
Caixabank Int variable	26/06/2017	Variable	32	4.699%	11	16	27
Banc Sabadell	20/07/2017	Fixed	5	5.133%	2	3	5
BBVA	20/06/2015	Variable	12	3.219%	6	–	6
					40	29	69

EUR'000

	Total	*up to 1 year*	*1-2 years*	*2-5 years*	*More than 5 years*
Short term loans	40	40	–	–	–
Long term bank loans	29	–	23	6	–
	69	40	23	6	–

15. REVENUE

Revenue represents the net invoiced value of services rendered, after allowances for returns and trade discounts.

	Years ended 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Construction contract revenues 3rd parties	228	1,695	2,318
Construction contract revenues related parties	12,804	4,992	477
Revenue rendering of services related parties	252	175	–
	13,284	6,862	2,795

16. OTHER INCOME

	Years ended 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Sales of assets	–	3	–
Other Rendering Services	6	1	22
Other Subventions	90	5	–
	96	9	22

17. PROFIT BEFORE TAXATION

	Years ended 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Profit before taxation is arrived at after charging:	1,534	32	(1,372)
Audit fee	12	20	14
Depreciation of property, plant and Equipment	31	33	28
Depreciation of intangibles	35	96	108
Operating lease payments	90	90	90
Directors' remuneration	189	174	124
Interest expense	23	20	42
Staff costs:			
– salaries and other benefits	334	421	412
Interest income	–	22	32

18. INCOME TAX EXPENSE

	01.01.2014-31.12.2014	*01.01.2015-31.12.2015*	*01.01.2016-31.12.2016*
	EUR'000	*EUR'000*	*EUR'000*
Deferred Corporate tax income	–	(61)	(327)
Current Corporate tax expense	238	37	–
Income tax expense (benefit) for the period	238	(24)	(327)

2014	Eqtec Iberia, SL Current Corporate tax income	135
	Bulgaria EOOD, Current Corporate tax expense	103
2015	Eqtec Iberia, SL Deferred Corporate tax income	(61)
	Eqtec Iberia, SL Current Corporate tax income	13
	Eqtec Bulgaria EOOD, Current Corporate tax expense	24
2016	Eqtec Iberia, SL Deferred Corporate tax income	(310)
	Eqtec Bulgaria EOOD, Deferred Corporate tax expense	(17)

Reconciliation of effective tax rate:

	01.01.2014-31.12.2014 EUR'000	*01.01.2015-31.12.2015 EUR'000*	*01.01.2016-31.12.2016 EUR'000*
Profit/(Loss) before income tax	1,534	32	(1,372)
Income tax (expense)/benefit at the applicable tax rate	(230)	(14)	253
Non-deductible expenses	(8)	(1)	(1)
Exemption of international dividends of subsidiaries	–	–	64
R&D expenses pending deduction	–	(9)	11
Total income tax (expense)/benefit	(238)	(24)	327

Tax at the applicable tax rate of 25 per cent. Eqtec Iberia

Tax at the applicable tax rate of 10 per cent. Eqtec Bulgaria

19. EARNING PER SHARE

	Years ended 31 December		
	2014	*2015*	*2016*
Profit/(loss) after taxation (Thousands of €)	1,296	56	(1,046)
Weighted average number of ordinary shares	35,234	35,234	35,234
Basic earnings per share (€)	36.78	1.59	(29.69)

The diluted profit/(loss) per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

20. SIGNIFICANT RELATED PARTY DISCLOSURE

(a) Identities of related parties

The Eqtec Iberia Group has related party relationships with its directors, key management personnel and entities of which the director and/or by management have significant financial interests.

Related party	*Relationship*
EBIOSS Energy AD	Direct Parent. Controlling Party with significant influence
Inava Ingenieria de Análisis SL	Direct Parent. Controlling Party with significant influence
Eqtec Bulgaria EOOD	100% Subsidiary Company
Karlovo Biomass EOOD	Group Company
Biomass Distribution EOOD	Group Company
Syngas Italy, SRL	Group Company
TNL Equipamientos Amb, SL	Group Company
Luis Sánchez	C.E.O. company

(b) Other than those disclosed elsewhere in the financial information, the Eqtec Iberia Group also carried out the following significant transactions with the related parties as disclosed below:

Transactions with related parties
Income/(expense)

	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Karlovo Biomass EOOD	11,934	3,581	99
Karlovo Biomass EOOD	–	–	(50)
Biomass Distribution EOOD (*)	1,621	1,293	167
Heat Biomass	(1,604)	–	–
Syngas Italy, SRL	853	118	199
EBIOSS Energy, AD	–	–	12
TNL Equipamientos Amb, SL	–	–	22

Balances with related parties

	Balance outstanding Receivables/(Payables)		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Karlovo Biomass EOOD	479	628	546
Karlovo Biomass EOOD	–	–	(50)
Biomass Distribution EOOD	338	–	147
Biomass Distribution EOOD	(283)	–	–
Syngas Italy, SRL	69	62	196
TNL Equipamientos Amb, SL	–	–	21
EBIOSS-Energyv AD	–	–	(870)
Amount due from director	–	–	37

Directors

The executive Directors of Eqtec Iberia and Eqtec Bulgaria are José Oscar Leiva Méndez and Luis Sánchez.

For the years ended 31 December, the Company paid to the key management personnel remunerations – Luis Sánchez – in the amount of:

2014 – 189 thousand €

2015 – 174 thousand €

2016 – 124 thousand €

All payments made relate to salaries and short term benefits.

21. FINANCIAL INSTRUMENTS

The Eqtec Iberia Group activities are exposed to a variety of risks within their operations. The Eqtec Iberia Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. A detailed list of the risks the Eqtec Iberia Group is exposed to is listed below:

Currency risk

The Eqtec Iberia Group is not exposed to material foreign currency risk. All significant contracts entered into by the company are denominated in euros.

Liquidity risk

Liquidity risk arises from the Directors' management of working capital. It is the risk that Eqtec Iberia Group will encounter difficulty in meeting its financial obligations as they fall due.

The Directors' policy is to ensure that the Eqtec Iberia Group will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the Directors seek to maintain a cash balance sufficient to meet expected requirements.

The Directors have prepared cash flow projections on a monthly basis through to 31 March 2018. At the end of the period under review, these projections indicated that the Eqtec Iberia Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a contract, leading to a financial loss. The Eqtec Iberia Group had cash and cash equivalents of EUR 113K as at 31 December 2016. The credit risk from its liquid funds is limited as the counter parties are banks with high credit ratings which have not experienced any losses in such accounts.

22. CLASSIFICATION OF FINANCIAL INSTRUMENTS

	As at 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Financial Asset			
Loan and receivables financial assets	–	389	420
Trade receivables	939	1,224	1,905
Other receivables and deposit	655	154	70
Cash and bank balances	2,100	1,140	113
	3,694	2,907	2,508

	As at 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Financial Liability			
Bank Loans Large Term	29	138	460
Bank Loans Short Term	40	671	731
Loans Company group short Term (*)	–	–	870
Trade payables	1,119	839	712
Other payables and accruals	1,189	347	131
	2,377	1,995	2,904

23. COMMITMENTS

Operating lease commitments

At 31 December 2014, 2015, and 2016, the Eqtec Iberia Group had two lease commitments in respect to offices, and the rental payable under these leases are as follows:

	As at 31 December		
	2014	*2015*	*2016*
	EUR'000	*EUR'000*	*EUR'000*
Payments due:			
Within one year	18	18	85
Between one and two years	18	18	90
Between two and five years	54	54	270
Greater than 5 years	117	99	237
Total	207	189	682

24. ULTIMATE PARENT COMPANY

At the date of this report the ultimate controlling party of the Eqtec Iberia Group is considered to be EBIOSS Energy SE, which is incorporated in Bulgaria.

25. NATURE OF FINANCIAL INFORMATION

The financial information presented above does not constitute statutory financial statements for the period under review.

PART VI

UNAUDITED INTERIM FINANCIAL INFORMATION ON THE EQTEC IBERIA GROUP

Set out below are the unaudited results of the Eqtec Iberia Group for the six-month period ended 30 June 2017 together with the unaudited results for the comparative six-month period ended 30 June 2016.

Consolidated Statements of Comprehensive Income

The consolidated statement of comprehensive income of the Eqtec Iberia Group for the six-month period ended 30 June 2017 and the six-month period ended 30 June 2016 are set out below:

	Note	*30.06.2017 EUR'000*	*30.06.2016 EUR'000*
Revenue		419	1,509
Cost of sales		(127)	(1,536)
Gross profit/(loss)		292	(27)
Other income		(2)	8
Work performed by the entity and capitalized		142	167
Expenses for hired services		(270)	(379)
Employee benefit expenses		(506)	(556)
Depreciation and amortization		(107)	(59)
Loss from operations		(451)	(846)
Finance income		–	16
Finance costs		(53)	(15)
Loss before tax		(504)	(845)
Income tax benefit	8	114	200
Loss for the period attributable to owners of Eqtec Iberia Group		(390)	(645)
Other comprehensive income		–	–
Total comprehensive loss for the period		(390)	(645)
Basic and diluted loss per share	10	(11.07)	(18.31)

Consolidated Statements of Financial Position

The consolidated statements of financial position of the Eqtec Iberia Group as at 30 June 2017 and at 31 December 2016 are set out below:

	Note	*30.06.2017 EUR'000*	*31.12.2016 EUR'000*
Assets			
Property, plant and equipment	4	115	126
Intangible assets	5	783	735
Investments		2	2
Financial instruments (Loans and bonds)		403	403
Other financial instruments		17	17
Deferred tax assets	6	502	388
Total non-current assets		1,822	1,671
Inventory		379	363
Trade and other receivables	7	2,051	1,975
Cash at bank and in hand		29	113
Prepayments		3	26
Total current assets		2,462	2,477
Total assets		4,284	4,148
Current liabilities			
Trade and other payables	9	753	843
Bank loans		498	731
Loans due to related parties	13	1,731	870
Deferred income		110	122
Total current liabilities		3,092	2,566
Non-current liabilities			
Bank loans		460	460
Total non-current liabilities		460	460
Total liabilities		3,552	3,026
Equity			
Share capital	11	211	211
Share premium	11	349	349
Retained earnings		68	458
Capitalisation reserve		104	104
Equity attributable to owners of the parent		732	1,122
Total equity		732	1,122
Total equity and liabilities		4,284	4,148

Consolidated Statement of Changes in Equity

The consolidated statements of changes in equity of the Eqtec Iberia Group for the six-month period ended 30 June 2017 and the six-month period ended 30 June 2016 are set out below:

(Unaudited)	*Share capital EUR'000*	*Share Premium EUR'000*	*Capitalisation reserve EUR'000*	*Retained earnings EUR'000*	*Total equity EUR'000*
Balance at 1 January 2016	211	349	104	1,503	2,167
Other comprehensive income	–	–	–	–	–
Loss for the six months ended 30 June 2016	–	–	–	(645)	(645)
Balance at 30 June 2016	211	349	104	858	1,522
Other comprehensive income	–	–	–	–	–
Loss for the six months ended 31 December 2016	–	–	–	(400)	(400)
Balance at 31 December 2016	211	349	104	458	1,122
Other comprehensive income	–	–	–	–	–
Loss for the six months ended 30 June 2017	–	–	–	(390)	(390)
Balance at 30 June 2017	211	349	104	68	732

Consolidated Statement of Cash Flows

The consolidated statement of cash flows for the Eqtec Iberia Group for the six month period ended 30 June 2017 and the six-month period ended 30 June 2016 are set out below:

For the six months ended 30 June

	30.06.2017 EUR'000	*30.06.2016 EUR'000*
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(504)	(845)
Income tax	–	200
Adjustments to profit:		
Depreciation and amortization	107	59
Interest expense	53	15
Interest income	–	(16)
Changes in provisions	–	1
Cash flows from operations before working capital changes	(344)	(586)
Change in:		
Inventories	(16)	(144)
Trade and other payables	(94)	235
Trade and other receivables	(76)	(235)
Other current receivables	23	–
Other current assets	(12)	(193)
Other current liabilities	–	(105)
Other cash flow from operating activities		
Interest paid	(53)	(15)
Interest received	–	16
Net cash flows from/(used in) operating activities	(572)	(1,027)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	–	(11)
Acquisition of intangible assets	(141)	(262)
Acquisition of other financial assets	–	(16)
Net cash flows used in investing activities	(142)	(289)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans - Related Parties	862	–
Proceeds from bank borrowing	363	494
Repayment of bank borrowing	(596)	(109)
Net cash flows from financing activities	629	385
Net increase in cash and cash equivalents	(84)	(931)
Cash and cash equivalents at 1 January	113	1,140
Cash and cash equivalents at 30 of June	29	209

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. GENERAL INFORMATION

The condensed unaudited interim financial information represents the results of Eqtec Iberia SL and its subsidiary, Eqtec Bulgaria EOOD, (together referred to as the 'Eqtec Iberia Group').

Eqtec Iberia SL is a company incorporated and domiciled in Spain. The registered office of Eqtec Iberia SL is located at Rosa Sensat nº 9-11 08005-Barcelona (Spain).

Eqtec Iberia SL was formed on May 23, 1997.

The principal activities of Eqtec Iberia are to design, build, operate, and maintain its unique Eqtec Gasifier Technology to power plants as well as to substitute fuel producers and to sell complete Cogeneration Power Plants using different type of feedstocks (such as natural gas, waste or biomass).

2. PRESENTATION CURRENCY

The financial information has been presented in Euros ("€"). The functional currency of the Eqtec Iberia Group is Euros ("€").

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The consolidated financial information has been prepared in accordance with International Financial Reporting Standards and International Accounting Standards and Interpretations (collectively IFRSs), as adopted by the European Union ("EU").

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements and historical financial information.

The specific accounting treatment is set out in Part V Section B note 2, which is in accordance with accounting convention commonly used for the preparation of historical financial information for inclusion in investment circulars, as described in the Annexure to SIR 2000 (Investment Reporting Standards applicable to Public Reporting Engagements on Historical Financial Information) issued by the UK Auditing Practices Board. This has resulted in the following material departures from IFRS as adopted by the EU:

- The historical financial information does not constitute a set of general purpose financial statements under paragraph 2 of IAS 1 and consequently there is no explicit and unreserved statement of compliance with IFRS under paragraph 14 of IAS 1.

Income Tax expense

The tax charge on profits assessable has been calculated at the rates of tax prevailing in the countries in which the Eqtec Iberia Group operates, based on existing legislation, interpretation and practices in respect thereof.

4. PROPERTY, PLANT AND EQUIPMENT

	Equipment *EUR'000*	*Furniture* *EUR'000*	*Computers* *EUR'000*	*Vehicles* *EUR'000*	*Total* *EUR'000*
Cost					
Balance at 1 January 2016	120	73	29	54	276
Additions	1	10	1	–	12
Disposals	(1)	(17)	(2)	–	(20)
At 31 December 2016	120	66	28	54	268
Additions	–	–	–	–	–
Disposals	–	(1)	(6)	–	(7)
At 30 June 2017	120	65	22	54	261
Depreciation					
Balance at 1 January 2016	35	41	15	44	135
Charge for the period	9	7	7	4	27
Disposals	(1)	(17)	(2)	–	(20)
Balance at 31 December 2016	43	31	20	48	142
Charge for the period	4	2	3	2	11
Disposals	–	(1)	(6)	–	(7)
Balance at 30 June 2017	47	32	17	50	146
Net book value					
At 31 December 2016	77	35	8	6	126
At 30 June 2017	73	33	5	4	115

5. INTANGIBLE ASSETS

	Development costs in progress EUR'000	*Patents and trade-marks EUR'000*	*Software EUR'000*	*Total EUR'000*
Cost				
Balance at 1 January 2016	246	392	71	709
Additions	11	276	–	287
Reclassification	(235)	235	–	–
Disposals	–	–	(37)	(37)
Balance at 31 December 2016	22	903	34	959
Additions	143	–	–	143
Balance at 30 June 2017	165	903	34	1,102
Amortisation				
Balance at 1 January 2016	–	100	52	152
Charge for the period	–	96	13	109
Disposals	–	–	(37)	(37)
Balance at 31 December 2016	–	196	28	224
Additions	–	90	5	95
Balance at 30 June 2017	–	286	33	319
Net book value				
At 31 December 2016	22	707	6	735
At 30 June 2017	165	617	1	783

6. DEFERRED TAX ASSETS

	30.06.2017 EUR'000	*31.12.2016 EUR'000*
Deferred taxes from R&D		
Deduction	133	96
Deduction rate	12%	12%
Deferred tax asset from R&D	16	12
Deferred taxes from losses		
Deduction	390	1,264
Deduction rate	25%	25%
Deferred tax asset from losses	98	316
Total deferred tax assets	114	328
Amount brought forward from prior year	388	60
Total deferred tax asset	502	388

7. TRADE AND OTHER RECEIVABLES

	30.06.2017 EUR'000	*31.12.2016 EUR'000*
Trade receivables	483	995
Due from related parties (note 13)	1,512	910
Refundable VAT/Corporate Tax	18	33
Amount owing by a director (note 13)	38	37
	2,051	1,975

In assessing the recoverability of these debts, the Directors have given due consideration to all pertinent information relating to the ability of the customers to settle. If an account balance is deemed uncollectible, the account is impaired in full. If an account is potentially uncollectible, the Group makes an impairment provision for such amounts. There was no provision at 30 June 2017 (no provision at 31 December 2016).

8. TAXATION

	01.01.2017- 30.06.2017 EUR'000	*01.01.2016- 31.12.2016 EUR'000*
Deferred Corporate income tax	(114)	(200)
Current Corporate income tax expense	–	–
Income tax benefit for the period	(114)	(200)

(*) 2017	Eqtec Iberia, SL Deferred Corporate tax income	(107)
	Eqtec Bulgaria EOOD, Deferred Corporate tax expense	(7)
(*) 2016	Eqtec Iberia, SL Deferred Corporate tax income	(183)
	Eqtec Bulgaria EOOD, Deferred Corporate tax expense	(17)

Reconciliation of effective tax rate:

	01.01.2017- 30.06.2017 EUR'000	*01.01.2016- 31.12.2016 EUR'000*
Profit/(Loss) before income tax	(504)	(1,372)
Income tax benefit as the applicable tax rate	114	253
Non-deductible expenses	–	(1)
Exemption of international dividends of subsidiaries	–	64
R&D expenses pending deduction	–	11
Total income tax benefit	114	327

Tax at the applicable tax rate of 25 per cent. Eqtec Iberia

Tax at the applicable tax rate of 10 per cent. Eqtec Bulgaria

9. TRADE PAYABLES AND OTHER PAYABLES

	30.06.2017 EUR'000	*30.12.2016 EUR'000*
Trade payable	560	662
Due to related parties (note 12)	54	50
Accrued salary	37	9
Compulsory social security	16	29
Tax payable	80	62
Other payable	6	31
	753	843

10. PRO FORMA BASIC AND DILUTED EARNINGS PER SHARE

	30 June 2017	*30 June 2016*
Loss after taxation (Thousands of €)	(390)	(645)
Weighted average number of ordinary shares	35,234	35,234
Basic earnings per share (€)	(11.07)	(18.31)

The diluted profit/(loss) per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

11. SHARE CAPITAL

The movements in the registered capital of the Eqtec Iberia Group are as follows:

	As at 30 June	
	2016 EUR'000	*2017 EUR'000*
Fully Paid-Up		
35,234 (2016: 35,234) ordinary shares	211	211
Share premium at 1 July	349	349

12. SUBSEQUENT EVENTS

On 6 September 2017, the Eqtec Iberia Group increased the Share Capital to €333,342 through the conversion of shareholder loans.

13. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identities of related parties

The Eqtec Iberia Group has related party relationships with its directors, key management personnel and entities of which the director/or by management have significant financial interests.

Related Party	*Relationship*
EBIOSS Energy AD	Direct Parent, Controlling Party with significant influence.
Inava Ingenieria de Análisis SL	Shareholder with significant influence.
Eqtec Bulgaria EOOD	Subsidiary Company
Karlovo Biomass EOOD	Group Company
Biomass Distribution EOOD	Group Company
Syngas Italy, SRL	Group Company
Newry Biomass Limited	Group Company
TNL equipamientos industriales, SL	Group Company

(b) Other than those disclosed elsewhere in the financial information, the Eqtec Iberia Group also carried out the following significant transactions with the related parties as disclosed below:

Transactions and balances with related parties

	Transaction value for the period ended 30 June Income/(expense)		*Balance outstanding as at Receivables/(Payables)*	
	2017	*2016*	*30.06.2017*	*31.12.2016*
	EUR'000	*EUR'000*	*EUR'000*	*EUR'000*
Karlovo Biomass EOOD	5	66/(50)	484/(54)	546/(50)
Biomass Distribution EOOD	–	21	147	147
Syngas Italy, SRL	–	149	196	196
EBIOSS Energy, AD	–	11	–	–
Newry Biomass Limited	121	–	650	–
TNL equipamientos industriales, SL	13	13	35	21
TOTAL	139	260/(50)	1,512/(54)	910/(50)

All transactions and balances outstanding between Eqtec Iberia and Eqtec Bulgaria have been eliminated in these consolidated financial statements.

Directors

For the periods ended 31 December 16 and 30 June 17, the Company paid to the key management personnel remunerations – Luis Sánchez – in the amount of:

89 thousand € as at 30 June 2017

124 thousand € as at 31 December 2016

All amounts are unsecured, interest-free and repayable on demand. The following was outstanding at the period end and are amounts classified within current liabilities under 'Amounts owing by directors'. Advance payment for travel expenses:

38 thousand € as at 30 June 2017

37 thousand € 31 December 2016

14. NATURE OF THE FINANCIAL INFORMATION

The financial information presented above does not constitute statutory accounts for the period under review.

PART VII

UNAUDITED PRO FORMA FINANCIAL INFORMATION

Set out below is an unaudited pro-forma statement of net assets of the Company (the “Pro Forma Financial Information), which has been prepared on the basis of the financial information of the Company, Eqtec Iberia and Eqtec Bulgaria as at 30 June 2017, as adjusted for:

- the receipt of the net proceeds from the Placing;
- the acquisition of Eqtec Iberia;
- the carve-out of Eqtec Bulgaria EOOD from Eqtec Iberia, which will occur prior to completion of the Acquisition;
- the conversion of the EBIOSS debt in the Eqtec Iberia Group; and

as set out in the notes below. The Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature will not represent the actual consolidated financial position of the Company as at the date of Admission.

Unaudited pro-forma financial information

Currency: €'000s	*(Audited) The Company (Note 1)*	*(Audited) Eqtec Iberia Group (Note 2)*	*Carve out of Eqtec Bulgaria EOOD (Note 3)*	*Conversion of EBIOSS debt (Note 4)*	*Adjustments (Note 5)*	*(Unaudited) Pro forma financial information*
Non-current assets						
Property, plant and equipment	–	115	(1)	–	–	114
Intangible assets	–	783	–	–	–	783
Investments	4,410	2	–	–	–	4,412
Financial instruments : loans and bonds	–	403	–	–	–	403
Other financial instruments	–	17	–	–	–	17
Deferred tax assets	–	502	(24)	–	–	478
Total non-current assets	**4,410**	**1,822**	**(25)**	–	–	6,207
Current assets						
Inventory	–	379	(176)	–	–	205
Trade and other receivables	292	2,051	(454)	–	–	1,889
Cash and cash equivalents	272	29	(2)	–	820	1,119
Prepayments	–	3	–	–	–	3
Total current assets	**564**	**2,462**	**(632)**	–	820	3,214
Total assets	**4,974**	**4,284**	**(657)**	–	820	9,421
Current liabilities						
Trade and other payables	305	753	(51)	–	–	1,007
Borrowings	2,606	498	–	–	–	3,104
Loans due to related parties	–	1,731	–	(1,731)	–	–
Deferred income	–	110	–	–	–	110
Total current liabilities	**2,911**	**3,092**	**(51)**	(1,731)	–	4,221
Non-current liabilities						
Borrowings	894	460	–	–	–	1,354
Total non-current liabilities	**894**	**460**	**–**	–	–	1,354
Total liabilities	**3,805**	**3,552**	**(51)**	(1,731)	–	5,575
Net assets/(liabilities)	**1,169**	**732**	**(606)**	1,731	820	3,846

Notes:

1. The financial information of the Company at 30 June 2017 has been extracted, without further adjustment, from the interim results which can be found at the Company's website (www.eqtecplc.com) and also from the offices of Eqtec plc, Building 1000, Citygate, Mahon, Cork, Ireland.

2. The financial information of the Eqtec Iberia Group for the interim period ended 30 June 2017 has been extracted, without further adjustment, from Part VI of this Document "Unaudited Interim Financial Information on the Eqtec Iberia Group". No account has been taken of the activities of Eqtec Iberia or Eqtec Bulgaria subsequent to 30 June 2017.

3. On 13 October 2017, Eqtec Bulgaria EOOD was carved out in its entirety from Eqtec Iberia. The unaudited interim entity results of Eqtec Bulgaria have been extracted without adjustment. No account has been taken of the activities Eqtec Bulgaria subsequent to 30 June 2017.

4. On 7 September 2017, the Eqtec Iberia Group converted the entire balance owed to EBIOSS into 20,323 ordinary shares in Eqtec Iberia.

5. Placing proceeds of approximately €1,798,000 and associated costs of the Placing of approximately €978,000 (excluding VAT). The net proceeds from the Placing received by the Company were approximately €820,000. The Company has paid €219,000 of the associated costs at the date of the Admission Document.

PART VIII

ADDITIONAL INFORMATION

1.1 ***Definitions***

For the purposes of Part VIII of this document:

(i) an "**arrangement**" includes any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;

(ii) "**connected party**" means in relation to any person a person whose interest in shares is one in which the first mentioned person is also taken to be interested pursuant to Section 220 of the Act;

(iii) "**control**" means a holding, whether directly or indirectly, of securities of the company that confer, in aggregate, not less than 30% (or such other percentage as may be prescribed) of the voting rights in that company, and in relation to a company which is not a relevant company, shall have the same meaning, and "to control" and cognate words and terms, in relation to any company, shall be construed accordingly;

(iv) "**dealing or dealt**" include:

   (i) acquiring or disposing of relevant securities, the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights allocated to relevant securities or general control of relevant securities;

   (ii) taking, granting, acquiring, disposing of, entering into, closing out, terminating, exercising (by either party) or varying an option in respect of any relevant securities;

   (iii) subscribing or agreeing to subscribe for relevant securities (whether in respect of new or existing securities);

   (iv) exercising or converting any relevant securities carrying conversion or subscription rights;

   (v) acquiring, disposing of, entering into, closing out, exercising (by either party) of any rights under, or varying of, a derivative referenced directly or indirectly, to relevant securities;

   (vi) entering into, terminating or varying the terms of any agreement to purchase or sell relevant securities; and

   (vii) any other action resulting, or which may result, in an increase or decrease in the number of relevant securities in which a person is interested or in respect of which he has a short position.

(v) "**derivative**" includes any financial product whose value in whole or in part is determined, directly or indirectly, by reference to the price of an underlying security but which does not include the possibility of delivery of such underlying securities;

(vi) "**disclosure date**" means 24 November 2017, being the latest practicable date prior to the publication of this document;

(vii) "**disclosure period**" means the period of 12 months ending on the disclosure date;

(viii) "**relevant securities**" means in respect of the Company, EBIOSS and Inava: (i) securities of the Company which confer voting rights; (ii) equity share capital of the Company; and/or (iii) securities or any other instruments conferring on their holders' rights to convert into or subscribe for any new securities of any of the foregoing categories of securities;

The Company does not have any securities carrying voting rights other than Ordinary Shares.

(ix) "**interest in**" or "**interested in a relevant security**" means: for the purposes of determining whether the person has an "interest in a relevant security" or is "interested in a relevant security" that person shall be deemed to have an "interest" or be "interested", in a relevant security if and only if he or she has a long position in that security (as defined under the Takeover Rules).

(x) "**short position**" means any short position (as defined under the Takeover Rules).

1. Incorporation and status of the Company

1.1 The Company was incorporated in the Republic of Ireland on 2 October 2008 as a public limited company under the Irish Companies Act 2014 ("Act"), with number 462861 and under the name Kedco plc. On 20 December 2013 the Company changed its name to React Energy plc and subsequently changed its name to Eqtec plc on 6 February 2017.

1.2 The principal legislation under which the Company operates is the Act and the regulations made thereunder. The liability of the Shareholders is limited to the amount, if any, unpaid on the Ordinary Shares.

1.3 The Company's registered office is Building 1000, City Gate, Mahon, Cork, T12W7CV and its telephone number is (+353) (0)21 2409056. The Company's web-site, at which the information required by Rule 26 of the AIM Rules can be found, is www.eqtecplc.com.

1.4 The Company's main activity is developing and operating clean electricity and heat generation plants in the UK and Ireland.

1.5 The Company is domiciled and registered in Ireland.

1.6 The Company has no administrative, management or supervisory bodies other than the Board, the Nomination Committee, Remuneration Committee and the Audit Committee.

2. Subsidiaries

2.1 The Company has the following subsidiary undertakings as at the date of the Admission Document:

Name	*Principal activity*	*Percentage owned at the date of this document*	*Country of incorporation*
Newry Biomass No 1 Limited	Holding company	100%	Ireland
REACT Biomass Limited	Holding company	100%	Ireland
Eqtec No 1 Limited	Holding company	100%	Ireland
Reforce Energy Limited	Holding company	100%	Ireland
Pluckanes Windfarm Limited	Construction company	100%	Ireland
Moneygorm Wind Turbine Limited	Dormant	100%	Ireland
Alitlow Wind Turbine Limited	Dormant	100%	Ireland
Newry Biomass Limited	Construction company	50.05%	Northern Ireland
Plymouth Biomass Limited	Construction company	100%	England and Wales
Enfield Biomass Limited	Construction company	100%	England and Wales
Grass Door Limited	Holding company	100%	England and Wales
Clay Cross Biomass Limited	Construction company	90%	England and Wales

3. Share Capital of the Company

3.1 The issued fully paid up share capital of the Company as at the date of this document and as it is expected to be immediately following Admission is as follows:

As at the date of this Document:	*Issued share capital €*	*Number of shares*
Ordinary Shares	185,303.23	185,303,229
Deferred Convertible A Ordinary Shares of €0.01 each	991,179.52	99,117,952
Deferred B Ordinary Shares of €0.099	7,438,908.91	75,140,494
Deferred Ordinary Shares of €0.40	8,948,016.80	22,370,042
Immediately following Admission		
Ordinary Shares	1,346,090.84	1,346,090,838
Deferred Convertible A Ordinary Shares of €0.01 each	991,179.52	99,117,952
Deferred B Ordinary Shares of €0.099	7,438,908.91	75,140,494
Deferred Ordinary Shares of €0.40	8,948,016.80	22,370,042

3.2 On incorporation, the authorised share capital of the Company was €100,000,000 divided into 100,000,000 ordinary shares of €1.00 each of which 38,100 ordinary shares of €1.00 each fully paid up were issued.

3.3 The following is a summary of the changes of the issued share capital of the Company between 1 July 2013 and 24 November 2017, being the last practicable date prior to publication of this document

3.3.1 on 24 July 2015, 37,470,972 ordinary shares of €0.10 each were allotted to Bernard McEvoy;

3.3.2 on 21 October 2015, 3,500,000 ordinary shares of €0.10 each were allotted to Ecofinance;

3.3.3 on 21 October 2015, 3,500,000 ordinary shares of €0.10 each were allotted to Altair;

3.3.4 on 6 February 2017, the ordinary shares of €0.10 each were subdivided into one ordinary share of €0.001 each and one Deferred Share of €0.099;

3.3.5 on 7 February 2017, 78,210,000 Ordinary Shares were allotted to EBIOSS;

3.3.6 on 27 February 2017, 10,000,000 Ordinary Shares were allotted to EBIOSS;

3.3.7 on 27 February 2017, 10,000,000 Ordinary Shares were allotted to SVS Securities plc;

3.3.8 on 16 March 2017, 4,491,197 Ordinary Shares were allotted to EBIOSS; and

3.3.9 on 16 March 2017, 7,461,538 Ordinary Shares were allotted to SVS Securities plc.

3.4 On 31 January 2017 at the Company's Annual General Meeting the Shareholders approved the following authorities:

3.4.1 that the Directors of the Company be authorised to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of €10,000,000. This authority shall expire on the conclusion of the next annual general meeting of the Company unless and to the extent that such authority is renewed, revoked or extended prior to such date. The Company may, before such expiry, make an offer or arrangement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority had not expired.

3.4.2 that the Directors of the Company be empowered to allot equity securities for cash as if pre-emption did not apply to any such allotment up to up to an aggregate nominal amount of €10,000,000. This power expires on the conclusion of the next annual general meeting of the Company unless and to the extent that such authority is renewed, revoked or extended prior to such date, save that the Company may before such expiry make an offer or arrangement which would or might require securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred has not expired.

3.5 Other than pursuant to the Placing and the Acquisition, the Company has no present intention to issue any further Ordinary Shares in the Company.

3.6 The Company does not have in issue any securities not representing share capital.

3.7 No Ordinary Shares are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

3.8 Save as disclosed in this paragraph 3 and in paragraph 4.2 of Part VIII of this document, there has been no issue of share or loan capital of the Company in the three years immediately preceding the date of this document.

3.9 Save as disclosed in paragraph 9 of this Part VIII, on Admission no share or loan capital of the Company or any other member of the Group will be under option or has been agreed conditionally or unconditionally to be put under option.

3.10 The Ordinary Shares are in registered form and may be held in accordance with the Company's Articles in certificated form or in uncertificated form through CREST.

3.11 The Ordinary Shares will, on Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company.

3.12 The International Security Identification Number (ISIN) for the Ordinary Shares is IEØØBH3XCL94.

3.13 The Ordinary Shares have been created pursuant to the Act.

4. Memorandum & Articles of Association

The Memorandum and Articles contain provisions, among others, to the following effect:

4.1 *Objects*

The main objects of the Company are to acquire the entire issued share capital of Kedco Block Holdings Limited (registered number 399166) and to carry on the business of a holding company and to acquire and hold controlling and other interests in the share or loan capital of any company or companies and to co-ordinate the administration, finances and activities of the subsidiary companies of the Company, to do all lawful acts and things whatever that are necessary or convenient in carrying on the business of such a holding company and in particular to carry on in all its branches the business of a management and servicing company, to act as manager and to direct or co-ordinate the management of other companies or of the business, property and estates of corporations, private persons or companies and to undertake and carry out all such services in connection therewith as may be deemed expedient and to exercise its powers as a controlling shareholder of other companies.

4.2 *Shares*

4.2.1 *Share capital*

The Company has an authorized share capital of €200,000,000 divided into 12,561,091,094 Ordinary Shares of €0.001 each, 10,000,000,000 Deferred Convertible A Ordinary Shares of €0.01 each, 75,140,494 Deferred B Ordinary Shares of €0.099 each and 200,000,000 Deferred Ordinary Shares of €0.40 each.

The Company, by ordinary resolution, may:

(a) consolidate and divide all or any of its share capital into shares of larger amount;

(b) subject to the Act, subdivide its shares, or any of them, into shares of smaller amount; or

(c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its realized share capital by the amount of the shares so cancelled; or

(d) reduce the nominal value of any of its shares by the deduction from them of any part of that value, subject to the crediting of the amount of the deduction to undenominated capital other than the share premium account.

4.2.2 *Share rights*

Subject to the provisions of the Act and without prejudice to any special rights attached to any existing shares or class of shares, the Company may issue shares with such rights or restrictions whether in relation to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution determine or, subject to any such determination, as the Board shall determine.

The ordinary shareholders shall, by virtue of and in respect of their holdings of Ordinary Shares, have the right to receive notice of, attend, speak and vote at general meetings of the Company. The A Deferred Shares, B Deferred Shares and Deferred Ordinary Shares shall not entitle the holders thereof to receive notice of or to attend or vote at any general meeting of the Company.

The Ordinary Shares shall entitle the holders thereof to participate in the profits or assets of the Company (by way of payment of any dividends, on a Winding-up or otherwise). The A Deferred Shares, B Deferred Shares and Deferred Ordinary Shares shall, not entitle the holders thereof to participate in the profits or assets of the Company (by way of payment of any dividends or otherwise) save that the A Deferred Shares shall entitle the holders thereof to participate *pari passu* with holders of the Ordinary Shares in the profits or assets of the Company on a winding up, up to an amount being the amount of the par value paid up in respect of such A Deferred Shares.

Upon the occurrence of a change or control or an asset sale of the Company each A Deferred Share shall have the restrictions applying to it removed and shall be automatically deemed converted into and re-designated as an Ordinary Share, without the requirement for any approval thereof by the Board or any shareholders.

4.2.3 *Purchase of own Shares*

Subject to and in accordance with the provisions of Part 17, Chapter 5 of the Act and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class (including redeemable shares) at any price (whether at par or above or below par), and so that any shares to be so purchased may be selected in any manner whatsoever and cancelled or held by the Company as treasury shares

4.2.4 *Reduction of Capital*

The Company, by special resolution, may reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with, and subject to, any incident authorised, and consent required, by law.

4.2.5 *Lien on Shares*

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) payable at a fixed time or called in respect of that share. The Directors, at any time, may declare any share to be wholly or in part exempt from these. The Company's lien on a share shall extend to all moneys payable in respect of it.

4.2.6 *Dividends*

Subject to the provisions of the Act, the Company may, by ordinary resolution, declare dividends to be paid to shareholders, but the amount of such dividends may not exceed the amount recommended by the Directors. If the Directors believe the dividends are justified by the profits of the Company available for distribution, they may pay interim dividends.

If the share capital is divided into different classes, subject to the provisions of the Act, the Board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. Subject as aforesaid the Board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to the Board that the profits available for distribution justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of interim dividends on any shares having deferred or non-preferred rights.

Unless the share rights otherwise provide, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid during any portion or portions of the period in respect of which the dividend is paid. Any dividend unclaimed for twelve years from the date on which it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company. The Directors may at their discretion, subject to the provisions of the Act and, in particular, to their being duly authorised pursuant to Section 1021 of the Act to allot the relevant shares, to offer to the Shareholders the right to elect to receive in lieu of any dividend or proposed dividend or part thereof an allotment of additional ordinary shares credited as fully paid.

4.2.7 *Voting rights*

At a general meeting of the Company, subject to any special rights or restrictions attached to any class of shares:

(a) on a show of hands every member present in person has one vote, every duly appointed proxy present has one vote and any person duly appointed to act as the authorised representative of a corporate member (or each of them if more than one) has one vote;

(b) on a poll every member present in person or by proxy or a duly authorized representative of a corporate member shall have one vote for every share carrying voting rights of which he is the holder. On a poll a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way; and

(c) where there is an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to any other vote he may have.

Unless the Directors otherwise determine, no shareholder will be entitled to vote at a general meeting or any separate meeting of the holders of any class of shares in the Company in respect of any share held by him unless all moneys presently owed to the Company have been paid.

4.2.8 *Variation of Rights*

Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and the quorum at an adjourned meeting shall be one person holding Shares of the class in question or his proxy.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the Articles or the terms of the issue of the shares of that class, be deemed to be varied by a purchase or redemption by the Company of its own shares or by the creation or issue of further shares ranking *pari passu* therewith or subordinate thereto.

Any reduction of capital involving the cancellation of the A Deferred Shares, B Deferred Shares or Deferred Ordinary Shares for no consideration shall not be deemed to be a variation of the rights attaching to such deferred shares nor a modification or abrogation of the rights or privileges attaching to the A Deferred Shares, B Deferred Shares or Deferred Ordinary Shares and accordingly the A Deferred Shares, B Deferred Shares or Deferred Ordinary Shares may at any time be cancelled for no consideration by a Special Resolution passed by the holders of the Ordinary Shares without notice thereof being given to the holder(s) of the A Deferred Shares, B Deferred Shares or Deferred Ordinary Shares and without any sanction or approval on the part of any holder(s) of the A Deferred Shares, B Deferred Shares or Deferred Ordinary Shares.

4.2.9 *Directors' power to allot*

Subject as provided by the Act in relation to authority, pre-emption rights or otherwise and by resolution of the Company in general meeting, the Directors may allot, grant options over or otherwise dispose of shares in the Company on such terms and conditions and at such times as they may consider to be in the best interests of the Company and the members, but so that no share shall be issued at a discount and so that, in the case of shares offered to the public for subscription, the amount payable on application on each Share shall not be less than one-quarter of the nominal amount of the share and the whole of any premium thereon.

4.2.10 *Transfer of shares*

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the share register.

Directors shall have power to permit any class of shares to be held in uncertificated form and to implement any arrangements they think fit for such evidencing and transfer which accord with such regulations and in particular shall, where appropriate, be entitled to disapply or modify all or part of the provisions in the Articles with respect to the requirement for written instruments of transfer and share certificates, in order to give effect to such regulations.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register.

(i) any transfer of a share which is not fully paid; or

(ii) any transfer to or by a minor or person of unsound mind;

but this shall not apply to a transfer of such a share resulting from a sale of the share through a stock exchange on which the share is listed.

4.3 ***Directors***

4.3.1 *Appointment and replacement of Directors*

Unless otherwise determined by the Company in general meeting, the number of Directors shall not be more than ten nor less than two. The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number of the Directors is reduced below the prescribed minimum the remaining Director or Directors shall appoint forthwith an additional Director or additional Directors to make up such minimum or shall convene a general meeting of the Company for the purpose of making such appointment. If there is no Director or Directors able or willing to act then any two shareholders may summon a general meeting for the purpose of appointing Directors. Any additional Director so appointed shall hold office (subject to the provisions of the Act and the Articles) only until the conclusion of the annual general meeting of the Company next following such appointment unless he is re-elected during such meeting and he shall not retire by rotation at such meeting or be taken into account in determining the Directors who are to retire by rotation at such meeting.

4.3.2 *Powers of the Directors*

Subject to the provisions of the Act, the Memorandum of Association of the Company and the Articles and to any directions by the members given by ordinary resolution, not being inconsistent with the Articles or with the Act, the business of the Company shall be managed by the Directors who may do all such acts and things and exercise all the powers of the Company as are not required by the Act or by the Articles to be done or exercised by the Company in general meeting. No alteration of the Memorandum of Association of the Company or of the Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by the Articles shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

4.3.3 *Permitted interests*

Subject to the provisions of the Act and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof or in which the Company or any subsidiary or associated company thereof is otherwise interested;

(b) may be a director or other officer of, or employed by or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company or any subsidiary or associated company thereof is otherwise interested;

(c) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;

(d) any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, but nothing herein contained shall authorise a Director of his firm to act as auditor to the Company;

(e) the Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as Directors of such other Company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them as directors or other officers or servants of such company or voting or providing for the payment of remuneration to such officers or servants); and

(f) a Director of the Company may continue or become a Director or other officer, servant or member of any company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or member of such company.

No Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the other Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made at the first meeting of the Directors held after he becomes so interested.

4.3.4 *Restriction on Directors' voting*

Save as provided by the Articles, a Director shall not vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly within the meaning of Section 220 of the Act, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote.

A Director shall be entitled (in the absence of some other material interest than is indicated below) to vote (and be counted in the quorum) in respect of any resolutions concerning any of the following matters, namely:

(i) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary or associated companies;

(ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the shareholder of or beneficially interested in 1 per cent. or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived);

(v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval for taxation purposes by the appropriate Revenue authorities;

(vi) any proposal concerning the adoption, modification or operation of any scheme for enabling employees (including full time executive Directors) of the Company and/or any subsidiary thereof to acquire shares in the Company or any arrangement for the benefit of employees of the Company or any of its subsidiaries under which the Director benefits or may benefit; or

(vii) any proposal concerning the giving of any indemnity or the discharge of the cost of any insurance cover purchased or in respect of the Directors.

4.3.5 *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property, assets, and uncalled capital or any part thereof and subject to Part 17, Chapter 3 of the Act to issue debentures, debenture stock and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party, without any limitation as to amount.

4.3.6 *Directors' Indemnity*

Subject to the provisions of and so far as may be admitted by the Act, every Director, Managing Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court.

4.3.7 *Insurance*

The Directors may purchase and maintain insurance for any persons who are, or were at any time, directors, officers, or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company, or any other company or such subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission when in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

4.3.8 *General Meetings*

All general meetings of the Company shall be held in the Republic of Ireland unless otherwise determined by ordinary resolution of the members.

The Company shall hold in each year a general meeting as its annual general meeting in addition to any other meeting in that year and shall specify the meeting as such in the notices calling it. Not more than fifteen months shall elapse between the date of one annual general meeting and that of the next.

All general meetings other than annual general meetings shall be called extraordinary general meetings.

The Directors may convene general meetings. Extraordinary general meetings may also be convened on such requisition, or in default may be convened by such requisitionists, and in such manner as may be provided by the Act. If at any time there are not within the Republic of Ireland sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which general meetings may be convened by the Directors.

Subject to the Act, an annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by at least twenty-one Clear Days' notice and all other extraordinary general meetings shall be called by at least fourteen Clear Days' notice.

Any notice convening a general meeting shall specify the time and place of the meeting and, in the case of special business, the general nature of that business and, in reasonable prominence, that a member entitled to attend and vote is entitled to appoint a proxy to attend, speak and vote in his place and that a proxy need not be a member of the Company. It shall also give particulars of any Directors who are to retire by rotation or otherwise at the meeting and of any persons who are recommended by the Directors for appointment or re-appointment as Directors at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose them for appointment or re-appointment as Directors at the meeting. Subject to any restrictions imposed on any Shares, the notice shall be given to all the members and to the Directors and the auditors.

No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Except as provided in relation to an adjourned meeting, three persons holding or representing by proxy at least one-third in nominal value of the issued shares and entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporate member, shall be a quorum. If such a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such time and place as the Directors may determine. If at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, the meeting, if convened otherwise than by resolution of the Directors, shall be dissolved, but if the meeting shall have been convened by resolution of the Directors, two persons entitled to be counted in a quorum present at the meeting shall be a quorum.

4.3.9 *Communications with Members*

Any notice to be given, served or delivered shall be in writing (whether in electronic form or otherwise).

Any communication or document or information (including without limitation, the annual report and accounts and any notice of general meeting) may be given by the Company to any member:

(i) personally; or

(ii) by sending it by post to or leaving it by hand or courier at his registered address; or

(iii) (except a share certificate) by sending it by electronic mail to an address notified by a member in writing: or

(iv) (except a share certificate) by displaying it on a website, the address of which shall be notified to a shareholder in writing or by sending it by electronic mail.

5. Mandatory bids, squeeze-out and sell-out rules relating to the Ordinary Shares

5.1 The Company is subject to the Irish Takeover Rules.

Mandatory bids

5.2 Under the Irish Takeover Rules, if an acquisition of Ordinary Shares were to increase the aggregate holding of an acquirer and its concert parties to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and depending upon the circumstances, its concert parties, would be required (except with the consent of the Irish Takeover Panel) to make an offer for the outstanding shares at a price not less than the highest price paid for the Company's Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company, if the effect of such acquisition were to increase that person's percentage of the voting rights by more than 0.05 per cent.

Squeeze-out

5.3 Under the Act, if an offeror were to acquire 80 per cent. of the Ordinary Shares within four months of making its offer, it could then compulsorily acquire the remaining 20 per cent. It would do so by sending a notice to Shareholders informing them that it would compulsorily acquire their Ordinary Shares and then, unless the High Court of Ireland determined otherwise, one month later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. Where the offeror already owns more than 20 per cent. of the shares in the Company at the time that the offeror makes an offer for the balance of the shares, then the compulsory acquisition rights only apply if the offeror acquires at least 80 per cent. of the remaining shares which also represent at least 50 per cent. in number of the holders of the accepting Shareholders.

Buy-out rules

5.4 The Act also gives minority shareholders a right to be bought out in certain circumstances by the offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares, and at any time before the end of the period within which the offer could be accepted, the offeror held or was entitled to acquire not less than 80 per cent. of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could, by a written communication to the offeror, require the offeror to acquire those shares. The offeror would be required to give any shareholders notice of their right to be bought out within one month of that right arising.

Other

5.5 There are no mandatory takeover bids outstanding in respect of the Company and none has been made either in the last financial year or the current financial year of the Company.

5.6 No public takeover bids have been made by third parties in respect of the Company's issued share capital in the current financial year nor in the last financial year.

5.7 Save as disclosed in paragraph 12 of this Part VIII, there were no arrangements which exists between the Company or any person who is acting in concert with the Company and any other person as at the disclosure date.

6. Interests and Dealings in Relevant Securities

6.1 The interests of the Directors and Proposed Directors and persons connected with them (as defined in the AIM Rules) (all of which are beneficial unless otherwise stated) in the issued share capital of the Company, as at the date of this document and as expected to be immediately following Admission are as set out in this clause 6.1:

Name	*Number of Ordinary Shares*	*% of Ordinary Shares*	*Number of Ordinary Shares immediately following Admission*	*% of Enlarged Issued Share Capital*
Dermot O'Connell	570,109	0.31	570,109	0.04%
Gerry Madden	817,140	0.44	817,140	0.06%
Brendan Halpin	1,142,910	0.62	1,142,910	0.08%
Luis Sanchez	Nil	–	Nil	–
Oscar Leiva	Nil	–	Nil	–
Ian Pearson	Nil	–	Nil	–
Neil O'Brien	Nil	–	Nil	–

The Company has granted options to Gerry Madden to subscribe for up to 67,304,542 Ordinary Shares pursuant to an option agreement dated 24 November 2017. Such options are exercisable at a price of 0.67p per share and for a period of [four years] from the relevant vesting date. The options are subject to vesting and performance conditions as follows: (i) options over 40,382,725 Ordinary Shares vest on the second anniversary of Admission and are not subject to any performance conditions; (ii) options over 13,460,908 Ordinary Shares vest upon the Enlarged Group entering into four power plant contracts following Admission; and (iii) options over a further 13,460,908 Ordinary Shares vest upon the successful commissioning by the Enlarged Group of four power plants following Admission.

Save as disclosed above there are no relationships (personal, financial or commercial), arrangements or understandings with the Company or any person who is acting concert with the Company.

Each of the Directors intend to vote in favour of the Acquisition in respect of their own beneficial holdings of securities.

No person has provided the Company or any person acting in concert with it an irrevocable commitment or letter of intent in respect the Company's relevant securities.

The Company has not redeemed or purchased any relevant securities of the Company during the period of 12 months preceding the date of this document.

6.2 In addition to the interests of the Directors and Proposed Directors set out in paragraph 6.1 above, the Directors and Proposed Directors are aware of the following interests in the Ordinary Shares which, immediately following Admission, would amount to three per cent. or more of the Enlarged Issued Share Capital:

Name	*Number of Ordinary Shares following Admission*	*% of Enlarged Issued Share Capital*
EBIOSS	583,705,171	43.36
Inava	250,159,360	18.58

None of the persons named in sub-paragraphs 6.1 and 6.2 above has voting rights which are different to any other holder of Ordinary Shares.

6.3 So far as the Directors and Proposed Directors are aware, save as disclosed in paragraphs 6.1 and 6.2 above, there are no persons who, immediately following the Proposals, will, directly or indirectly, be interested in three per cent. or more of the capital of the Company or who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.

6.4 (a) Save as disclosed in paragraphs 6.1 above none of the Directors nor any person acting in concert with the Company had an interest in any relevant securities of the Company as at the close of business on the disclosure date.

(b) None of the Directors or any person acting in concert with the Company had any short position in relation to relevant securities of the Company (whether conditional or absolute and whether in the money or otherwise and including any short position under a derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery).

(c) The Company had no interest in any relevant securities of EBIOSS or Inava nor had it dealt in any such relevant securities as at the close of business on the disclosure date.

(d) The Company had no interest in, nor had any short position in relation to any relevant securities of EBIOSS or Inava (whether conditional or absolute and whether in the money or otherwise and including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery) as at the close of business on the disclosure date.

(e) None of the Directors or any person acting in concert with the Company had an interest in, nor had any short position in relation to any relevant securities of EBIOSS or Inava, as at the close of business on the disclosure date.

(f) None of the Directors or any person acting in concert with the Company had any short position in relation to relevant securities of the EBIOSS or Inava (whether conditional or absolute and whether in the money or otherwise and including any short position under a derivative, any agreement to sell or any delivery obligations or right to require another person to purchase or take delivery).

6.5 **Directors Dealings in the relevant securities of the Company, EBIOSS and Inava**

There have been no dealings (including borrowing or lending) in relevant securities of the Company, EBIOSS or Inava by the Company or the Directors (or their immediate families, related trusts or persons connected with them) during the period of 12 months preceding the date of this document.

There have been no dealings (including borrowing or lending) in relevant securities of the Company, EBIOSS or Inava by (i) any person acting in concert with the Company, (ii) any person who has provided the Company or any person acting in concert with the Company with an irrevocable commitment or letter of intent regarding their relevant securities or (iii) any person who has a relationship (personal, financial or commercial), arrangement or understandings with the Company or any person who is acting concert with the Company, during the period of 12 months preceding the date of this document.

7. Directors' and Proposed Directors' Agreements and Letters of Appointment

Existing Directors

7.1 Gerry Madden has a service agreement with the Company dated 19 September 2012. Mr Madden and the Company have also entered into a side letter dated 24 November 2017 noting that from Admission he will act as the Company's Finance Director pursuant to the terms of his existing service agreement. Mr Madden will continue to receive an annual salary of €250,000 pursuant to his letter. The service agreement may be terminated by either party giving three months' written notice.

7.2 Brendan Halpin is appointed to act as Finance Controller of the Company pursuant to a service agreement dated 1 August 2008. Mr Halpin receives an annual salary of €85,000 pursuant to his service agreement. The contract may be terminated by either party giving three months' written notice.

7.3 Dermot O'Connell is appointed as Non-Executive Chairman and does not have a formal appointment letter in place. Mr O'Connell receives a monthly salary of €2,000.

Proposed Directors

7.4 Ian Pearson has agreed to act as the Non-executive Chairman of the Company pursuant to an appointment letter dated 1 September 2017. Mr Pearson's appointment pursuant to the letter is conditional on Admission becoming effective. Mr Pearson will receive an annual fee of £60,000 pursuant to his letter. The letter may be terminated by either party giving three months' written notice. Mr Pearson is also party to a consultancy letter with the Company dated 1 September 2017 pursuant to which he has agreed to promote the interests of the Company and to provide general business and financial advice to the Company. In consideration for the provision of those services, Mr Pearson is entitled to a fee of £5,000 per month. The consultancy letter automatically terminates on the earlier of the date of Admission and [31 October] 2017.

7.5 Neil O'Brien has agreed to act as a non-executive director of the Company pursuant to an appointment letter dated 1 September 2017. Mr O'Brien's appointment pursuant to the letter is conditional on Admission becoming effective. Mr O'Brien will receive an annual fee of £36,000 pursuant to his letter. The letter may be terminated by either party giving three months' written notice. Mr O'Brien is also a party to a consultancy letter with the Company dated 1 September 2017 pursuant to which he has agreed to procure that a company related to Mr O'Brien, South Gables Limited, provides general business and financial advice to the Company. In consideration for these services, the Company has agreed to pay South Gables Limited a monthly fee of £3,000. The consultancy letter automatically terminates on the earlier of the date of Admission and [31 October] 2017.

7.6 Oscar Leiva has agreed to act as a non-executive Director of the Company pursuant to an appointment letter dated 19 September 2017. Mr Leiva's appointment pursuant to the letter is conditional on Admission becoming effective. Mr Leiva will receive an annual fee of £36,000 pursuant to his letter. The letter may be terminated by either party giving three months' written notice.

7.7 Luis Sanchez has agreed to act as Chief Executive Officer of the Company pursuant to a service agreement dated on or about the date of this document which takes effect from Admission. Mr. Sanchez will receive an annual salary of €200,000 pursuant to his agreement. Mr Sanchez is also entitled to a guaranteed bonus of €50,000 in the first year of his appointment and a guaranteed bonus of €25,000 in the second year. The agreement may be terminated on twelve months' notice of termination by either party, such notice not to take effect prior to the second anniversary of the date of the agreement, save where the agreement is terminated for cause. Mr Sanchez is required to work at such times and for such periods as are necessary for the efficient discharge of his duties or as the needs of the Company dictate. No compensation will be payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Sanchez is in material breach of the terms of the appointment.

7.8 The aggregate remuneration paid or payable by any company in the Group (including benefits in kind) to the Directors during the year ended 30 June 2017 was €359,000. The aggregate estimated remuneration paid or payable to the Directors by any company in the Enlarged Group for the current financial year under the arrangements in force is expected to amount to €530,000.

7.9 Save as disclosed above, there are no existing or proposed service contracts between any Director or Proposed Director and the Company or any other company in the Enlarged Group and there are no existing or proposed service contracts between any Director or Proposed Director and the Company or any company in the Enlarged Group which provide for benefits upon termination of employment.

8. Additional Information on the Directors and Proposed Directors

8.1 In addition to directorships of the Company, the Directors and Proposed Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

Director	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
Oscar Leiva	Biomass Gorno EOOD Energotec Eco AD Smolyan Biomass EOOD Plovdiv Biomass EOOD Luxur Biomass OOD Luxur Energies EAD Epsion Resorts EAD Heat Biomass EOOD Leife EOOD EBIOSS Karlovo Biomass EOOD United Biomass EOOD Nova Zagora Biomass EOOD Bul Biomass OOD Tvardica Biomass EOOD Brila EOOD Elektra Holding Ad Luxur PV OOD Eko El Invest EOOD Bul PV OOD Eqtec Iberia Eqtec Bulgaria Biomass Distribution EOOD Tvardica PV EOOD TNL World EOOD Southeimer SL WIT SGPD (former TNL SGPS) Titan Power OOD Sistema Global de Acceso SL Eurobolsa Asesores Financieros SA TNL Sociedade Equipamentos e Sistemas SA Hotel Capital Investment SL Aquria Capital Group SL	Conecta2 Energia SL Eqtec Energy SL (liquidated)
Luis Sanchez	Inava Ingenieria de Analisis SL Sofia Biomass EOOD Eqtec Iberia EBIOSS Eqtec Bulgaria Energotec Eco AD Syngas Italy SRL	Eqtec Energy SL (liquidated) Conecta2 Energia SL

Director	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
Gerry Madden	Enfield Biomass Limited Clay Cross Biomass Limited Grass Door Limited Plymouth Biomass Limited GG Eco Energy Limited Newry Biomass Limited Newry Biomass No. 1 Limited React Biomass Limited Eqtec No. 1 Limited Reforce Energy Limited Moneygorm Wind Turbine Limited Altilow Wind Turbine Limited Pluckanes Windfarm Limited Keystone Advisory Limited Exvirion Healthcare Limited	Kedco Block Holdings Limited (in liquidation) Castlehomes Supplies Limited (in liquidation) Granig Trading Limited (in liquidation) Kedco Energy Limited (in liquidation) Kedco Power Limited (in liquidation) Kedco Fabrication Limited (in liquidation) Mediasatellite Ireland Limited (in liquidation) Ecom Interaction Services Limited (ceased to trade) Asdee Renewables Limited (dissolved) Bridgegreen Energy Limited (dissolved) Latvian Timber Limited (dissolved) Cromie Kedco Limited (dissolved)
Ian Pearson	Thames Water Utilities Limited Code Investing Limited IPP Associates Limited	Octopus VCT 2 PLC (Dissolved) Apollo VCT PLC
Neil O'Brien	RedT Energy plc. Mercia Power Limited South Gables Limited	Alkane Energy Limited Egdon Resources plc Eastern Pegasus Limited (dissolved) Seven Star Natural Gas Limited Coalgas (CYMRU) Limited (dissolved) Alkane Services Limited Coalgas (Europe) Limited (dissolved) Leven Power Limited Alkane Biogas Limited Rhymney Power Limited MW Renewables Limited Regent Park Energy Limited Darent Power Limited Alkane Energy UK Limited
Dermot O'Connell	Newry Biomass Limited	Knockgriffin Farm Trading Limited Corrin Event Centre Limited Garnavilla Farm Limited Fairfield Developments Limited Glanmire Farm Limited CCM House Limited Farmer Business Developments plc Market Green Estates Limited Market Green Developments Limited Cork Co-Operative Marts Limited

Director	*Current Directorships/Partnerships*	*Past Directorships/Partnerships*
Brendan Halpin	Enfield Biomass Limited Clay Cross Biomass Limited Grass Door Limited Plymouth Biomass Limited GG Eco Energy Limited Newry Biomass Limited Newry Biomass No. 1 Limited React Biomass Limited Eqtec No. 1 Limited Reforce Energy Limited Moneygorm Wind Turbine Limited Altilow Wind Turbine Limited Pluckanes Windfarm Limited Moneygorm Wind Turbine Limited Wellwin Investments Limited	Bridegreen Energy Limited (dissolved) Latvian Timber Limited Cromie Kedco Limited (dissolved) Kedco Block Holdings Limited (in liquidation) Kedco Energy Limited (in liquidation) Kedco Power Limited (in liquidation) Kedco Fabrication Limited (in liquidation) Asdee Renewables Limited (dissolved) Castlehomes Supplies Limited (in liquidation) Granig Trading Limited (in liquidation)

8.2 None of the Directors and Proposed Directors has:

(a) any unspent convictions in relation to indictable offences;

(b) had any bankruptcy order made against him or entered into any voluntary arrangements;

(c) been a director of a company which has been placed in receivership, compulsory liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company save for Gerry Madden and Brendan Halpin who are both directors of Granig Trading Limited and Castle Home Supplies Limited who are both in liquidation;

(d) been a partner in any partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

(f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

(g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.

8.3 Save for the Acquisition and as otherwise disclosed in this document, no Director or Proposed Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Enlarged Group and which was effected by the Enlarged Group and remains in any respect outstanding or unperformed.

8.4 Save as set out in paragraph 8.5 below, no loans made or guarantees granted or provided by the Enlarged Group to or for the benefit of any Director are outstanding.

8.5 As at the date of this document, the sum of £26,372.96 has been lent by Eqtec Iberia to Luis Sanchez in connection with advanced payments for travel expenses.

9. Share Option and Warrant Arrangements

9.1 The Company has granted options to Gerry Madden to subscribe for up to 67,304,542 Ordinary Shares pursuant to an option agreement dated 24 November 2017. Such options are exercisable at a price of 0.65p per share and for a period of [four years] from the relevant vesting date. The options are subject to vesting and performance conditions as follows: (i) options over 40,382,725 Ordinary Shares vest on the second anniversary of Admission and are not subject to any performance conditions; (ii) options over 13,460,908 Ordinary Shares vest upon the Enlarged Group entering into four power plant contracts following Admission; and (iii) options over a further 13,460,908 Ordinary Shares vest upon the successful commissioning by the Enlarged Group of four power plants following Admission.

9.2 The following Warrants have been granted over Ordinary Shares and are in force at the date of this document:

Name	*Number of Ordinary Shares under warrant (in aggregate)*	*Exercise Price*	*Latest exercise date*
Nirvana Capital Limited*	35,300,000	£0.10	13 July 2022
Origen Capital Partners* LLP	3,150,000	£0.10	13 July 2022
Strand Hanson	1,533,505	£0.533	5 February 2022
Michael Joseph**	76,923,077	£0.022	31 December 2019
Resource Reserve Recovery plc	3,846,154	£0.022	31 December 2019

Note: Please can the Company review the figures above and ensure they are correct]

* Nirvana Capital Limited and Origen Capital Partners LLP are related parties to Ecofinance and Altair respectively. EBIOSS entered into a warrant purchase agreement with each of EcoFinance and Altair for an option to purchase all of their respective warrants, (being warrants over 38,450,000 Ordinary Shares) for a price of €100,000, with such option expiring on 31 December 2017. EBIOSS has confirmed to the Company that it will only exercise such number of Warrants to maintain its holding in the Company at 51 per cent. in the event it is diluted by way of an issue of Ordinary Shares in the future. EBIOSS does not intend to exercise Warrants to increase its interest in the Company above 51 per cent.. In the event that EBIOSS did exercise all of the Warrants and, assuming no further other increases in the share capital of the Company, EBIOSS would be interested in 60.8 per cent. of the then enlarged share capital of the Company.

** Michael Joseph is a private investor and an unconnected party.

9.3 In accordance with the standstill agreement summarised in paragraph 12.13 of this Part VIII, the Company has conditionally agreed with Altair to amend the terms of the convertible loan note instrument dated 14 July 2015 (as amended), details of which are set out in paragraph 12.9 of this Part VIII. Should the conditions in the standstill agreement be satisfied and the changes to the loan note instrument become effective, the Company will grant warrants to Altair to subscribe for 105,263,158 Ordinary Shares at a price of 0.975p per share, being a 50 per cent. premium to the Placing Price, for a period of five years from the date of grant.

10. Long-Term Incentive Plan

As set out in paragraph 18 of Part I of this document, the Company intends to establish a long-term incentive plan for employees before the next Annual General Meeting of the Company.

11. Employees

11.1 The Group currently has three employees in Cork, Ireland.

11.2 Eqtec Iberia currently has 12 employees in Barcelona, Spain. Two Eqtec Iberia employees work on sales. These employees have sales commissions' agreements with Eqtec Iberia whereby each employee shall receive a commission equivalent to 0.5 per cent. on the final sale price of projects where they have directly intervened, or any member of their department has intervened.

12. Material Contracts

Material contracts in relation to the Group

12.1 Under the Acquisition Agreement, the Company has conditionally agreed to acquire from the Vendors the entire issued share capital of Eqtec Iberia for a consideration of £14 million based on the suspension price, to be satisfied by the issue of 833,864,531 Ordinary Shares at an agreed issue price of £0.0162 per Ordinary Share.

The Acquisition Agreement is conditional upon, among other things, the passing of the Resolutions at the Extraordinary General Meeting, Admission and the warranties being true, accurate and not misleading. The conditions to the Acquisition Agreement must be satisfied or waived on or before [●] 2017 or the agreement will terminate (or such later date as the parties may agree).

Pending satisfaction or waiver of the conditions, the Vendors have agreed to procure that Eqtec Iberia continues to run its business in the ordinary course, with the Company's consent required for certain customary matters that are outside of the ordinary course of business. The Vendors' consent is also required for certain customary matters that are outside of the ordinary course of the Company's business. The Vendors have agreed to give covenants restricting them from, *inter alia*, competing with the Company for a period of 2 years following completion.

The Vendors have given warranties to the Company regarding their title to the share capital of Eqtec Iberia and their ability to effectively transfer it to the Company, as well as warranties and indemnities in relation to the business and affairs of Eqtec Iberia. In addition, the Company has given certain warranties to the Vendors in relation to itself and the issue of the Consideration Shares. Each of the Vendors' liability for breach of warranty is capped at the value of the Consideration Shares received by them at the issue price. In the event of a successful claim by the Company for a breach of warranty by the Vendors, the Vendors will have the option of satisfying such claim by selling Consideration Shares back to the Company for a nominal consideration. The number of Consideration Shares to be sold will be calculated by dividing the amount of the successful claim by 0.65p, being the issue price of the Consideration Shares. The option to satisfy warranty claims in this manner is subject to the Shareholders approving the buy-back and the relevant Vendor not being prohibited from selling its Consideration Shares pursuant to the Lock-in Deed or the AIM Rules. The Company's liability for a breach of warranty is capped at the consideration amount.

12.2 On 24 November 2017, the Company, Gerry Madden, the Proposed Directors, Northland and VSA Capital entered into the Placing Agreement pursuant to which, conditional upon, *inter alia*, Admission taking place on or before 21 December 2017 (or such later date as the Company, Northland and VSA Capital may agree, being not later than 4 January 2018), VSA Capital and Northland have agreed to use their reasonable endeavours to procure Placees for the Placing Shares at the Placing Price. The Placing Agreement contains indemnities from the Company and warranties from the Company, Gerry Madden and the Proposed Directors in favour of Northland and VSA Capital together with provisions which enable Northland and VSA Capital to terminate the Placing Agreement in certain circumstances prior to Admission including circumstances where any of the warranties are found to be untrue or inaccurate in any material respect. The Company has agreed to pay VSA Capital and Northland commission of five per cent. of the aggregate value, at the Placing Price of the Placing Shares placed with investors procured by each of them.

12.3 On 18 October 2017, the Company and Northland entered into a nominated adviser and broker agreement pursuant to which the Company has appointed Northland to act as nominated adviser and broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Northland £40,000 per annum for its services as nominated adviser under the agreement, together with all reasonable expenses and VAT. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement has a minimum term of 12 months and thereafter is subject to termination on the giving of three months' notice. Either party may nevertheless terminate the agreement with immediate effect if the other party is in material breach of its obligations under the agreement.

12.4 On 11 May 2017, the Company and VSA Capital entered into a broker agreement pursuant to which the Company has appointed VSA Capital to act as broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay VSA Capital a fee of £35,000 per annum for its services as broker under the agreement together with all reasonable expenses and VAT. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement is subject to termination on the giving of three months' notice, such notice not to be given by the Company prior to the first anniversary of Admission.

12.5 On 24 November 2017, the Company and each of Gerry Madden, the Proposed Directors, EBIOSS and Inava (together the "Locked-in Parties"), Northland and VSA Capital entered into a lock-in deed pursuant to which the Locked-in Persons have agreed not to dispose of any interest in Ordinary Shares for the period of 12 months following Admission, except pursuant to acceptance of a general, partial or tender offer made to acquire the whole or part of the issued share capital of the Company, an intervening court order or in the event of the death of the Locked-in Party or, in the case of EBIOSS and Inava, any sale of Consideration Shares to the Company pursuant to the Acquisition Agreement. The Locked-in Parties have also agreed for a further period of 12 months to only dispose of an interest in Ordinary Shares following consultation with Northland and VSA Capital and provided such disposal is effected through the Company's broker and in such manner as the broker may reasonably require with a view to maintenance of an orderly market in the Ordinary Shares.

12.6 On 24 November 2017, the Company, EBIOSS and Inava (the "Principal Shareholders"), Northland and VSA Capital entered into a relationship agreement to regulate aspects of the continuing relationship between the Company and the Principal Shareholders so as to ensure that the Company is capable at all times of carrying on its business independently of the Principal Shareholder and that future transactions between the Company and the Principal Shareholders are on arm's length terms and on a normal commercial basis.

The relationship agreement will terminate at any time when the voting rights attaching to the Principal Shareholders' aggregate shareholding represent less than 30 per cent. of all voting rights attributable to the issued share capital of the Company. In the event that any time thereafter the voting rights attaching to the Principal Shareholders' shareholding again represents 30 per cent. or more of all voting rights or a director is appointed to the Board who is not independent of the Principal Shareholders, the Principal Shareholders shall enter into a new agreement in favour of the Company and Northland.

For so long as EBIOSS holds at least 40 per cent. of the voting rights which may be cast at a general meeting of the Company it shall have the right to nominate any person to the Nomination Committee to act as the CEO of the Company. Any such appointment shall be at the absolute discretion of the Nomination Committee and the Company's nominated adviser.

12.7 On 16 October 2017, the Company (as borrower) and Michael Paul Joseph (1) ("MPJ") and Resource Reserve Recovery plc (2) ("RRR") entered into convertible loan agreements whereby each of MPJ and RRR agreed to provide the Company with unsecured convertible loans of £500,000 and £25,000 respectively. The loans do not accrue any interest and are not repayable other than in the event of a default. The loans shall automatically convert on the earlier of the date of: (i) Admission; or (ii) 31 December 2017. On the date of conversion, the Company shall grant to each of MPJ and RRR one warrant for every one Ordinary Share issued to MPJ or RRR respectively on conversion. The warrants shall be exercisable at the warrant exercise price for a period of two years from the relevant conversion date. The warrant exercise price shall be calculated by reference to the following: (i) in the event that the Admission Date is the relevant conversion date 2.2 pence per share or (ii) in the event that 31 December 2017 is the relevant conversion date 1.5 pence per share.

12.8 On 14 July 2015, the Company and Ecofinance entered into a loan agreement, pursuant to which the Company borrowed £1,000,000 (before expenses) from Ecofinance to fund on-going working capital requirements. The loan facility comprises a five-year term loan of £1,000,000 at 15 per cent. per annum fixed rate of interest, payable monthly in arrears. The outstanding principal amount of the loan facility (and any accrued interest) is to be repaid in full on or before the anniversary of 60 months from the date of drawdown (14 July 2020) of the loan facility. The loan is secured by way of several debentures and guarantees granted to Ecofinance by several companies of the Existing Group which secures present and future obligations of those companies and related assets for the benefit of Ecofinance.

12.9 On 14 July 2015, the Company constituted £2,000,000 aggregate principal amount of secured convertible loan notes ("CLNs") by executing a convertible loan note instrument (the "Instrument") with such CLNs being issued to Altair Group Investment Limited. The Instrument has been amended by way of certain deeds of amendment dated 17 July 2017 and 31 October 2017. The CLNs bear an interest rate of 7.5 per cent. per annum on the outstanding principal amount from time to time up to (and including) 31 December 2017. The CLNs are secured by way of several debentures and guarantees granted to Altair by several companies of the Existing Group which secure present and future obligations of those companies and related assets for the benefit of Altair. Under the terms of the Instrument, Altair has the right to convert up to a nominal amount of £1 million of CLNs into Ordinary Shares at a price of £0.80 per Share. The Company and Altair have conditionally agreed to amend the terms of the Instrument pursuant to the standstill letter referred to in paragraph 12.15 of this Part VIII.

12.10 On 6 February 2017, the Company executed a warrant instrument which constituted warrants over 1,533,504 Ordinary Shares which were granted to Strand Hanson Limited. Following completion of the Consolidation, these warrants entitle Strand Hanson Limited to subscribe for [191,688] Ordinary Shares in the capital of the Company at an exercise price of [42.64] pence per share. These warrants are assignable and capable of being exercised until 5 February 2022.

12.11 On 14 July 2015, the Company executed a warrant instrument which constituted warrants over 35,300,000 Ordinary Shares which were granted to Nirvana Capital Limited, a company related to EcoFinance. Following completion of the Consolidation, these warrants entitle the holders to subscribe for 4,412,500 Ordinary Shares at an exercise price of £0.80 per share. These warrants are assignable and capable of being exercised until 13 July 2022.

12.12 On 14 July 2015, the Company executed a warrant instrument which constituted warrants over 3,150,000 Ordinary Shares which were granted to Origen Capital Partners LLP, a company related to Altair. Following completion of the Consolidation, these warrants entitle Origen Capital Partners LLP to subscribe for 393,750 Ordinary Shares at an exercise price of £0.80 per share. These warrants are assignable and capable of being exercised until 13 July 2022.

12.13 The Company and Altair have entered into a standstill letter pursuant to which Altair has agreed to forebear exercising any rights and remedies under the Instrument and the related security arrangements until 31 December 2017 and to consent to the extension of the maturity date of the CLNs to the same date. In addition, Altair has agreed that, conditional on Admission, it consents to the amendment of the Instrument to (i) extend the maturity date of the CLNs to 14 July 2020 (ii) vary the interest rate applicable to the CLNS and (iii) amend the price at which the CLNs covert to £[●] per share. As regards the interest rate, from 1 November 2017 until the final maturity date of 14 July 2020, interest will accrue on the outstanding principal amount of the CLNs at a rate of 15 per cent. per annum. However, if the Company repays the CLNs in full between 1 November 2017 and 30 April 2018 (inclusive) or between 1 May 2018 and 1 November 2019 (inclusive) then the interest rate payable on the outstanding principal of the CLNs shall reduce to 9 per cent. and 12 per cent. respectively. Arising from these changes, the Company will pay Altair interest outstanding on the loan to July 2017 of £300,000 after Admission and, as noted in paragraph 9.3 of this Part VIII, grant to Altair warrants to subscribe for [●] Ordinary Shares exercisable at £[●] per share for a period of five years.

12.14 Eqtec Iberia is party to an agreement with Syngas Technology Engineering S.L. ("Syngas Technology") in relation to the protection, assignment, exploitation and payment of royalties in relation to a number of patents owned by Syngas Technologies. Syngas Technologies is a company in which Yoel Aleman, the Chief Technology Officer of Eqtec Iberia, owns [●] per cent. of the share capital. Pursuant to this agreement, Eqtec Iberia is required to pay Syngas Technologies royalties of two (2) per cent. of the gross turnover in connection with each project hired or assigned by Eqtec Iberia to third parties that involves, is based on, or uses -in full or in part-, the Invention (as described in the relevant schedule of the agreement).

12.15 On 24 July 2015, the Company, several Subsidiaries, Ecofinance and Altair entered into an inter-creditor deed whereby the priority of each of Altair and Ecofinance's respective finance arrangements was confirmed. The deed confirmed that Ecofinance's finance arrangements would have priority over Altair's finance arrangements.

Material contracts in relation to EQTEC Iberia

12.16 On 22 May 2017, Eqtec Iberia entered into a cooperation agreement with Energy China. The agreement sets out the terms under which Eqtec Iberia and Energy China will cooperate on the preparation and the submission of the proposal for the EPC contracts in relation to the integrated waste gasification power plant projects in Melton Hull and Seal Sands. The agreement provides that the parties should jointly prepare and submit the proposals, negotiate and sign the EPC contract and implement the respective project in case of award of the EPC contract. Eqtec Iberia's scope of work under the agreement is estimated at 20-25 per cent. of the project's scope of works. Eqtec Iberia is required to provide a 10 per cent. performance guarantee for its scope of works. The agreement shall terminate automatically once the parties have signed a further agreement.

12.17 On 26 May 2016, Eqtec Iberia and Energy China entered into a collaboration framework agreement with EBIOSS with the view to collaborating in the project preparation, cooperation responsibility and financial structuring in respect of the pre-selected projects in the UK. Under the agreement, EBIOSS and Eqtec Iberia are to provide technology, engineering and technical design for the power plant facilities. Energy China is responsible for the EPC of the power plants and is required to provide assistance with respect to finance arrangements (a minimum of 75 per cent. of the total project costs) with reputable Chinese banks and other institutions. The remaining 25 per cent. of the total project costs will be funded by an equity subscription, with each of Energy China and EBIOSS subscribing for shares which represent 12.5 per cent. of the share capital of the project company.

12.18 On 31 March 2017, Eqtec Iberia entered into an agreement with Rafako S.A. ("Rafako") and Exergon Sp z.o.o. ("Exergon") pursuant to which the parties agreed to develop certain pre-selected projects. These projects related to the construction and sale to final customers of systems for solid fuels gasification, generally on an exclusive basis in biomass/waste gasification plants in Poland. The detailed scope of work will be determined pursuant to further consortium agreements for each project. Rafako will be named as consortium leader and Eqtec Iberia and Exergon will be members of the consortium. The agreement will terminate on the earlier of: (i) on 31 March 2027; (ii) at the end of each calendar year, in the event that a prescribed number of contracts have not been signed in that year; or (iii) on three months' notice which is calculated from the end of the month which the declaration of termination is issued.

12.19 On 16 February 2017, Eqtec Iberia entered into an agreement with Otto Ingenieria Y Obras, S.L. ("OIO") pursuant to which OIO has agreed to provide consultancy services to Eqtec Iberia. The parties agreed that OIO would seek buyers for Eqtec Iberia's equipment and services relating to biomass and waste gasification plants in Morocco. OIO can negotiate contracts of sale, under the conditions of delivery and payment prescribed by Eqtec Iberia, which Eqtec Iberia may or may not conclude. OIO has no authority to enter into contracts on behalf of Eqtec Iberia or to bind it in any way, nor to appoint sub-consultants. Eqtec Iberia shall pay OIO on a commission basis which is determined by reference to the order value which shall be between two and five per cent., depending on the contract value. The term of the agreement is five years and it can be terminated by either party on six weeks' prior notice within the first three years of the agreement or two months' notice during the remaining years of the agreement.

12.20 On 4 July 2016, Eqtec Iberia entered into an agreement with Revara, S.R.L. ("Revara") pursuant to which Revara has agreed to provide consultancy services to Eqtec Iberia. The parties agreed that Revara would seek buyers for Eqtec Iberia's equipment and services relating to biomass and waste gasification plants, cogeneration and photovoltaic installations, in Serbia. Eqtec Iberia shall pay Revara on a commission basis which is determined by reference to the value of an EPC contract which shall be between two and a half per cent. and five per cent., depending on the contract value. Other provisions include non-compete and non-exclusivity provisions within the framework of the agreement and the agreement is for a term of five years.

12.21 On 15 June 2016, Eqtec Iberia entered into an agreement with CIN International Ltd ("CIN") pursuant to which CIN has agreed to provide consultancy services to Eqtec Iberia. The agreement is on similar terms to the agreement with OIO as set out in paragraph 12.20 of this Part VIII. Unlike the agreement with OIO referred to above, this agreement provides for the provision of consultancy services by CIN in Malaysia, Indonesia, Brunei, Vietnam, Cambodia, Laos, Myanmar, Singapore, Thailand and the Philippines. This agreement provides for commission payments which are payable to CIN which vary between one per cent. and three per cent., depending on the contract value.

12.22 On 18 January 2016, Eqtec Iberia entered into an agreement with Envirotech Renewable Energy Ltd ("Envirotech") pursuant to which Envirotech has agreed to provide consultancy services to Eqtec Iberia. The agreement is on similar terms to the agreement with OIO as set out in paragraph 12.20 of this Part VIII. Unlike the agreement with OIO referred to above, this agreement provides for the provision of consultancy services by Envirotech in the UK. This agreement provides for commission payments which are payable to Envirotech which vary between three and two per cent., depending on the contract value.

12.23 On 9 August 2013, Eqtec Iberia, the Vendors and Elektra Holding AD entered into a shareholders' agreement which governs the relationship of the parties and Eqtec Iberia. Elektra Holding AD was a party to this agreement as at the time of execution of the agreement, it was the majority shareholder of EBIOSS. The shareholders' agreement contains provisions that are typical in such agreements relating to, *inter alia*, reinforced majorities for key resolutions, rules regarding the composition of the management body and restrictions on the transfer of shares. The shareholders' agreement will terminate upon completion of the Acquisition.

13. Major Shareholders

The following Shareholders own more than three per cent. of the issued share capital of the Company as at the date of this document:

Name	*Number of Ordinary Shares held as at the date of this document*	*% of Existing Issued Share Capital*
EBIOSS	92,701,197	50.03
Farmer Business Developments PLC	17,396,295	9.39
Mike Joseph	5,559,344	3.00
Connected Parties*	7,204,545	3.89

*The Connected Parties includes each of EcoFinance, Alchemy Capital Limited, Origen Capital LLP, Altair, Ms. Ruby Sayed, Mr. David Palumbo (including Origen Capital Partners Limited, Mr. Thomas Quigley and Mr Richard Harrop.

14. Litigation

There are no governmental, legal or arbitration proceedings active, pending or threatened against, or being brought by, any member of the Group which are having, or may have or have had during the 12 months preceding the date of this document a significant effect on the Groups' financial position or profitability.

15. Working capital

The Directors are of the opinion, having made due and careful enquiry and taking into account the net proceeds of the Placing, that following Admission the Group will have sufficient working capital for its present requirements, that is for at least the 12 month period following Admission.

16. Related party transactions

16.1 Save as set out in paragraph 16.2 below and paragraph in Parts V and VI of this document, there are no related party transactions that the Group has entered into during this period covered by the historic financial information incorporated pursuant to Part IV up to the date of this document.

16.2 Eqtec Iberia is party to an agreement with Syngas Technology Engineering S.L. ("Syngas Technology") in relation to the protection, assignment, exploitation and payment of royalties in relation to a number of patents owned by Syngas Technologies. Syngas Technologies is a company in which Yoel Aleman, the Chief Technology Officer of Eqtec Iberia, owns [●] per cent. of the share capital. Pursuant to this agreement, Eqtec Iberia is required to pay Syngas Technologies royalties of two per cent. of the gross turnover in connection with each project hired or assigned by Eqtec Iberia to third parties that involves, is based on or uses – in full or in part – the Invention (as described in the relevant schedule of the agreement).

17. Taxation

17.1 *Ireland*

The statements of Irish tax law set out below are based on existing Irish tax law, including relevant regulations, administrative rulings and practices in effect on the date of this document and which may apply to investors who are the beneficial owners of Ordinary Shares. Legislative, administrative or judicial changes may modify the tax consequences described below.

The statements do not constitute tax advice and are intended only as a general summary. Furthermore, this information only applies to Ordinary Shares held as capital assets and does not apply to all categories of shareholders, such as dealers in securities, trustees, insurance companies, collective investment schemes and shareholders who have, or who are deemed to have, acquired their Ordinary Shares by virtue of an office or employment. This summary is not exhaustive and prospective purchasers should consult their own tax advisers as to the tax consequences in Ireland or other relevant jurisdictions of the purchase, ownership and disposition of the Ordinary Shares.

17.1.1 *Withholding tax on dividends*

Distributions made by the Company are generally subject to dividend withholding tax ("DWT") at the standard rate of income tax (currently 20 per cent.) unless the Shareholder is within one of the categories of exempt Shareholders referred to below. Where DWT applies, the Company is responsible for withholding DWT at source and forwarding the relevant payment to the Irish Revenue. For DWT purposes, a dividend includes any distribution made by the Company to its Shareholders, including cash dividends, non-cash dividends and additional shares taken in lieu of a cash dividend.

DWT is not payable where an exemption applies provided that the Company or a relevant qualifying intermediary (the qualifying intermediary from whom the dividend is received ("Relevant Qualifying Intermediary")) has received all necessary documentation required by the relevant legislation from the Shareholder prior to payment of the dividend.

Provided certain procedural matters are complied with, certain categories of Irish resident Shareholders are entitled to an exemption from DWT, including (but not limited to) Irish resident companies, qualifying employee share ownership trusts, charities and pension funds. Except in very limited circumstances, distributions by the Company to Irish resident Shareholders who are individuals are not exempt from DWT.

Provided certain procedural matters are complied with, certain non-Irish resident Shareholders (both individual and corporate) are also entitled to an exemption from DWT. In particular, a non-Irish resident Shareholder is not subject to DWT on dividends received from the Company if the Shareholder is: (i) an individual Shareholder resident for tax purposes in either a member state of the European Union or in a country with which Ireland has a double tax treaty that is either signed or in force, and the individual is neither resident nor ordinary resident in Ireland; or (ii) a corporate Shareholder that is not resident for tax purposes in Ireland and which is ultimately controlled, directly or indirectly, by persons resident in either a member state of the European Union (apart from Ireland) or in a country with which Ireland has a double tax treaty that is either signed or in force and that entity is not under the control, whether directly or indirectly, of persons that are not so resident; or (iii) a corporate Shareholder resident for tax purposes in either a member state of the European Union (apart from Ireland) or a country with which Ireland has a double tax treaty that is either signed or in force provided that the corporate Shareholder is not under the control, whether directly or indirectly, of a person or persons who is or are resident in Ireland; or (iv) a corporate Shareholder that is not resident for tax purposes in Ireland and whose principal class of shares (or those of its 75 per cent. parent) is substantially and regularly traded on a recognised stock exchange in Ireland, a member state of the European Union (apart from Ireland) or in a country with which Ireland has a double tax treaty that is either signed or in force or on such other stock exchange approved by the Minister for Finance; or (v) a corporate Shareholder that is not resident for tax purposes in Ireland and is wholly owned, directly or indirectly, by two or more companies where the principal class of shares of each is substantially and regularly traded on a recognised stock exchange in Ireland, a member state of the European Union (apart from Ireland) or in a country with which Ireland has a double tax treaty that is either signed or in force or on such other stock exchange approved by the Minister for Finance, and provided that, in all cases noted above, the Shareholder has made the appropriate declaration to the Company or the Relevant Qualifying Intermediary prior to payment of the dividend.

17.1.2 *Tax on dividends*

Individuals

Irish resident individual Shareholders are subject to Irish income tax, universal social charge ("USC") and Pay Related Social Insurance ("PRSI") on the gross dividend at their marginal rate of tax. The gross dividend is the dividend received plus DWT withheld by the Company. Irish resident individual Shareholders are generally entitled to a credit for the DWT deducted against their income tax liability and to have refunded to them any amount by which DWT exceeds such income tax liability provided that they furnish the statement of DWT suffered to the Irish Revenue.

Dividend income received by Irish tax resident individuals from Irish Companies will be liable to Income Tax at their marginal rate of income tax on the Gross dividend (either 20 per cent. or 40 per cent. in 2017 depending on level of income & marital status) with a dividend withholding tax credit (DWT) at the standard rate of income tax (currently 20 per cent. in 2017) being allowed against the amount of Income Tax payable.

In addition to being liable to income tax the gross dividend Income is also liable to the universal social charge "USC" applicable at the following rates since 2017:

(a) 0.5 per cent. on the first €12,012 of individual's income

(b) 2.5 per cent. on the next €6,760 of individual's income

(c) 5 per cent. on the next €51,272

(d) 8 per cent. on the balance

(e) 3 per cent. surcharge where non PAYE income exceeds €100,000 in a year

Reduced USC rates apply to certain individuals:

(a) Aged 70 years or over with aggregate income for the year €60,000 or less (aggregate income does not include payments for Department of Social protection such as State pensions or income already subject to DIRT (Deposit Interest Retention Tax)

or

(b) Individuals holding a full medical card:

    (i) 0.5 per cent. on the first €12,012

    (ii) 2.5 per cent. to all income over €12,012 (i.e. up to €60,000)

If an individual's income does not exceed €13,000 they are exempt from USC.

"PRSI" of 4 per cent. is applicable to dividends with a minimum PRSI contribution of €500 if income exceeds the €5,000 threshold. For individuals aged 66 years or over there is no PRSI is due.

Companies

Irish resident corporate Shareholders are generally exempt from Irish corporation tax on dividends received from the Company. If an Irish resident corporate Shareholder is a close company, as defined under Irish legislation, it may, in certain circumstances, be liable to a 20 per cent. investment income surcharge.

Non Irish resident

Non-Irish resident Shareholders are, unless entitled to exemption from DWT, liable to Irish income tax on dividends received from the Company. However, the DWT deducted by the Company discharges such liability to Irish income tax provided that they furnish the statement of DWT suffered to the Irish Revenue. Where a non-resident Shareholder is entitled to exemption from DWT, then no Irish income tax arises.

17.1.3 *Capital gains tax*

Individuals

In respect of Irish resident or ordinarily resident Shareholders, the rate of capital gains tax in Ireland is currently 33 per cent.

The chargeable gain may be reduced by utilising a personal exemption of €1,270 for shares held in an individual's own name and may avail of the joint exemption €2,540 for shares held jointly between spouses and civil partnerships. (Note these are non- transferrable personal exemptions and are not available to Companies).

A subsequent disposal of the Shares by a Shareholder who is resident or ordinarily resident in Ireland may, depending on circumstances (including the availability of exemptions and reliefs, and taking into account the price paid for the asset), give rise to a chargeable gain or allowable loss for the purposes of the Irish taxation of chargeable gains.

A Shareholder who is an individual and who is temporarily non-resident in Ireland may, under anti-avoidance legislation, may still be liable to Irish taxation on any chargeable gain realised.

Companies

For Irish Companies selling shares the gain is taxable under Corporation Tax. The Corporation Tax rate applicable is 12.5 per cent. of the grossed up amount of the gain, ensuring that 33 per cent. of the gain is taxed.

Non-Irish resident shareholders

Shareholders who are not resident or, in the case of individuals, ordinarily resident for tax purposes in Ireland should not be liable for Irish tax on chargeable gains realised on a subsequent disposal of their Ordinary Shares unless such Ordinary Shares are used, held or acquired for the purposes of a trade carried on in Ireland through a branch or agency.

17.1.4 *Capital acquisitions tax*

Irish capital acquisitions tax ("CAT") comprises principally of gift tax and inheritance tax. CAT could apply to a gift or inheritance of Ordinary Shares irrespective of the place of residence, ordinary residence or domicile of the parties. This is because the Ordinary Shares of the Company are regarded as property situated in Ireland as the share register of the Company is held in Ireland. The person who receives the gift or inheritance is primarily liable for CAT.

CAT is levied at a rate of 33 per cent. above certain tax-free thresholds. The appropriate tax-free threshold is dependent upon: (1) the relationship between the donor and the donee; and (2) the aggregation of the values of previous gifts and inheritances received by the donee from persons within the same group threshold. Gifts and inheritances passing between spouses are exempt from CAT.

The current tax free thresholds for CAT in 2017 are:

<u>Group A</u> €310,000 for gifts or inheritances received by a child from a parent (or in certain circumstances an inheritance from a child to a parent)

<u>Group B</u> €32,500 for gifts or inheritances received from a brother, sister, niece, nephew or grandparent.

<u>Group C</u> €16,250 for gifts or inheritances received from people not covered in group A or group B above.

17.1.5 *Irish Stamp duty*

No charge to Irish stamp duty is imposed on an issue of shares in an Irish incorporated company. A subsequent sale of Ordinary Shares may, however, give rise to a stamp duty liability as it will involve a transfer of existing shares (including a transfer effected through CREST) and will generally be liable to Irish stamp duty at the rate of 1 per cent. of the consideration paid or, in the case of a gift or where the purchase price is inadequate or unascertainable, the market value of the Ordinary Shares.

The person acquiring the Ordinary Shares is liable for the stamp duty. However, in the case of a gift or a transfer at undervalue, all parties to the transfer are liable for the duty. To avoid interest and penalties, stamp duty on transfers effected outside of CREST should be paid within 44 days after the transfer is first executed (unless the transfer is a gift or sale at undervalue, in which case the duty should be paid within 30 days). Stamp Duty must be paid and filed online. The stamp duty on transfers effected within CREST is generally deducted by CREST at the time of transfer.

17.2 ***United Kingdom***

The following paragraphs are intended as a general guide to current UK tax legislation and to the current practice of HMRC as at the date of this document and may not apply to certain Shareholders, such as dealers in securities, insurance companies and collective investment schemes. They relate (except where stated otherwise) to persons who are resident and ordinarily resident in the UK for UK tax purposes, who are beneficial owners of Ordinary Shares and who hold their Ordinary Shares as an investment (and not as employment-related securities). The statements relate only to certain limited aspects of the taxation treatment of owners of Ordinary Shares and should not be relied upon as constituting tax or legal advice. **Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than that of the UK, should consult his or her professional advisers immediately.**

17.2.1 *Taxation of dividends*

The taxation of dividends paid by the Company and received by an investor resident for tax purposes in the UK is summarised below.

(a) Individuals

UK resident individual Shareholders who hold their shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £5,000 Dividend Allowance. Dividend receipts in excess of £5,000 will be taxed at 7.5 per cent. for basic rate tax payers, 32.5 per cent. for higher rate tax payers, and 38.1 per cent. for additional rate tax payers.

(b) Trustees

The annual Dividend Allowance available to individuals is not available to UK resident trustees of a discretionary trust. Since 6 April 2016, UK resident trustees of a discretionary trust in receipt of dividends are liable to income tax at a rate of 38.1 per cent.

(c) Companies

Although a UK resident corporate shareholder is potentially liable to corporation tax on its dividend income, it is anticipated that the general exemption for dividends will be available to exempt from corporation tax corporate investors in receipt of dividends from the Company.

17.2.2 *Withholding tax and tax credit in UK*

The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder. A Shareholder resident outside the UK may also be subject to taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

17.2.3 *Taxation of Chargeable Gains*

A sale or other disposal of the Ordinary Shares may, subject to any available reliefs and exemptions, give rise to a chargeable gain (or allowable loss) for the purposes of UK taxation of chargeable gains.

(a) Individuals and Trustees
For individual Shareholders who are United Kingdom tax resident or only temporarily non-United Kingdom tax resident, capital gains tax at the rate of 10 per cent., for basic rate tax payers or 20 per cent. for higher rate taxpayers may be payable on any gain (after any available exemptions, reliefs or losses).

For trustee Shareholders of a discretionary trust who are UK tax resident, capital gains tax at the rate of 20 per cent. may be payable on any gain (after any available exemptions, reliefs or losses).

(b) Companies
UK resident corporate shareholders are subject to corporation tax on their chargeable gains. Gains realised by such companies, as reduced by available indexation relief, are subject to corporation tax at the company's relevant rate. The full rate of corporation tax is currently 19 per cent. Indexation relief is deductible in computing any gain arising on a disposal of, or out of, the holding and is computed by reference to the movement in the Retail Price Index over the period of ownership applied to the cost of the holding, or that part of the holding, disposed.

(c) Non residents
Shareholders who are not resident or ordinarily resident in the UK and who are not affected by the rules relating to temporary non residence will, save in limited circumstances, not be liable to UK taxation on chargeable gains realised on the disposal of their Ordinary Shares. Such shareholders may be subject to foreign taxation on any gain realised under the local law of their country of residence and should consult their own tax adviser concerning their tax liabilities on such gains.

17.2.4 *Inheritance Tax*

The Ordinary Shares are considered, potentially, to qualify for business property relief for the purposes of inheritance tax. Shares in an unquoted company (other than an investment company or one which carries on a business consisting wholly or mainly of dealing in securities, stocks, shares, land and buildings) potentially attract full relief (as business property) from inheritance tax where the shares have been held for 2 years prior to the chargeable transfer for inheritance tax purposes.

17.2.5 *Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*

Transfers of Ordinary Shares may give rise to liabilities to stamp duty or SDRT. The paragraphs below summarise the current position and are intended as a general guide only to stamp duty and SDRT. Special rules apply to agreements made by brokers, dealers and market makers in the ordinary course of their business and to certain categories of person (such as depositaries and clearance services) who may be liable to stamp duty or SDRT at a higher rate. No liability to stamp duty or SDRT will generally arise on the allotment and issue of Ordinary Shares by the Company, or on transactions where the consideration is less that £1,000.

(a) Transfers outside CREST
An instrument (generally a stock transfer form) transferring Ordinary Shares outside CREST will be liable to ad valorem stamp duty broadly at a rate of 0.5 per cent. of the actual consideration paid. Stamp duty is normally paid by the purchaser.

(b) Transfers within CREST
Paperless transfers of Ordinary Shares within CREST will be charged to SDRT (rather than stamp duty) at a rate of 0.5 per cent. of the consideration paid. SDRT is payable by the purchaser. CREST is obliged to collect SDRT on relevant transactions settled within the system.]

18. Disclosure Requirements and Notification of Interests

18.1 Disclosure requirements and notification of interests in shares under the Act, where any person acquires an interest in 3 per cent. or more of the issued share capital of any class of an Irish public limited company, such person must notify the company in the prescribed manner and normally within five business days, of the interest and of certain information relating to that interest. Notification must also be made of any change in the percentage level of a person's interest above 3 per cent. and of any reduction to the interest to less than 3 per cent. Any interest, whether direct or through a spouse, civil partner, child (including child of a civil partner) or body corporate that the person in question is deemed to control, or in certain circumstances, other persons with whom the person acting in concert, would be regarded as an interest in shares for this purpose. Failure to notify punctually and properly is an offence under the Act. Additionally, under section 1060 of the Act provides that no right or interest whatsoever in respect of any of the relevant shares will be enforceable, whether directly or indirectly, by action or legal proceeding by the person having such an interest should they fail to notify the company of such interest. Application may be made to the High Court of Ireland to remove this restriction, and if the court is satisfied that the failure to notify was accidental or due to inadvertence or that it is just and equitable to grant relief then the court may grant such relief as it sees fit. Section 1061 of the Act states that the Company is obliged to keep a register showing all notifications received and to keep it open for inspection by the public.

Section 1053 states that the notification to the relevant company must be in writing and must specify the share capital to which it relates, the number of shares comprised in that share capital in which the person making the notification knows the interest immediately after the time when the obligation arose and give details of the registered holder of the shares and the number of shares held by them. In a case where the person no longer has a notifiable interest in shares comprised in the share capital, the notifier must state that an interest is no longer held; identify the notifier and give the address.

18.2 The AIM Rules for Companies require a company that is admitted to AIM to issue a notification without delay of any relevant changes to the legal or beneficial interest, whether direct or indirect, to the holding of a significant shareholder, such a shareholder being a shareholder holding 3 per cent. or more of any class of security (excluding treasury shares), which increases or decreases such holding through any single percentage.

18.3 Under the Articles of Association and the Act, persons are also obliged to make a notification to the Company where the person is interested in 3 per cent. or more of the issued share capital of the Company.

19. General

19.1 Save for the Placing and as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 December 2016, the date to which the financial information has been prepared.

19.2 The financial information set out in this document relating to the Group does not constitute statutory accounts.

19.3 Crowe Clark Whitehill LLP has given and not withdrawn its written consent to the inclusion of its report dated [●] in Section A of Part V of this document and the references to its report in the form and context in which they appear and has authorised the contents of that report for the purposes of Schedule Two of the AIM Rules for Companies.

19.4 Northland is registered in England and Wales under number 2617599 and its registered office is at 60 Gresham Street, 4th Floor, London, EC2V 7BB. Northland is regulated by the Financial Conduct Authority and is acting in the capacity of nominated adviser to the Company.

19.5 Northland has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

19.6 VSA Capital is registered in England and Wales under number 02405923 and its registered office is at New Liverpool House, 15-17 Eldon Street, London, EC2M 7LD. VSA Capital is regulated by the Financial Conduct Authority and is acting in the capacity of broker to the Company.

19.7 VSA Capital has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

19.8 Grant Thornton, 24-26 City Quay, Dublin 2, Ireland have been the auditors of the Company for the three financial years ended 30 June 2016 and are members of the Chartered Accountants Ireland.

19.9 The information in this document which has sourced from third parties has been accurately reproduced and so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19.10 Save as set out in Part V of this document, the Enlarged Group has not made any investments in the financial years covered by the historical financial information up to the date of publication of this document.

19.11 Save as set out in Parts I and II of this document, there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Group's business or profitability.

19.12 Save as disclosed in paragraphs 12, 16.2, 19.13 and 19.14 of this Part VIII of this document no person (excluding professional advisers otherwise disclosed in this document and trade suppliers) has:

19.12.1 received, directly or indirectly, from the Company within the 12 months preceding the date of application for Admission; or

19.12.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission;

any of the following:

(a) fees totalling £10,000 or more;

(b) securities in the Company with a value of £10,000 or more calculated by reference to the expected price of an Ordinary Share at Admission; or

(c) any other benefit with a value of £10,000 or more at the date of Admission.

19.13 Since 30 June 2016, the Company has paid the following fees:

19.13.1 fees totalling £43,750 have been paid to ZAI Corporate Finance Limited in consideration of the provision of corporate finance services to the Company and if its capacity as the Company's previous nominated adviser;

19.13.2 fees totalling £114,234.19 have been paid to Strand Hanson Limited in consideration for acting as the Company's previous nominated adviser;

19.13.3 placing commission totalling £64,250 has been paid to SVS Securities Limited; and

19.13.4 fees totalling £25,000 and €33,750 have been paid to Origen Capital Limited as arrangement fees.

19.14 The total costs and expenses relating to the Placing and Admission payable by the Company are estimated to be £910,000 (excluding VAT).

19.15 The accounting reference date of the Company is 30 June.

19.16 The arrangements for payment of the Placing Shares are set out in the placing letters referred to in the Placing Agreement. All monies received from applicants will be held by VSA Capital and/or Northland prior to delivery of the Placing Shares. If any application is unsuccessful or scaled down, any monies returned will be sent by cheque crossed "A/C Payee" in favour of the first named applicant. Any monies returned will be sent by first class post at the risk of the addressee within three days of the completion of the Placing.

19.17 Save for the Acquisition or as otherwise set out in this document, there are no principal investments in progress or principal future investments on which the Board has made a firm commitment.

20. Availability of Document

Copies of this document will be available for inspection normal business hours on any day (except Saturdays, Sundays and UK public holidays) at the registered office of the Company and on the Company's website at www.eqtecplc.com from the date of this document until the date which is one month after Admission.

[●] 2017

NOTICE OF EXTRAORDINARY GENERAL MEETING

EQTEC PUBLIC LIMITED COMPANY

(the "Company")

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company will be held at the Cork International Hotel, Cork Airport Business Park, Co Cork, Ireland on 20 December 2017 at 11.30 a.m. to consider, and if thought fit, pass the following Resolutions which, as to Resolutions numbered 1 and 2 will be proposed as ordinary resolutions and as to Resolutions 3 and 4 will be proposed as special resolutions of the Company:

ORDINARY RESOLUTIONS

Acquisition of Eqtec Iberia SL

1. That, subject to and conditional upon the passing of Resolutions 2 to 5 (inclusive) as set out in the notice of this meeting, the proposed acquisition by the Company of the entire issued share capital Eqtec Iberia SL (the "**Acquisition**") be and is hereby approved and the directors of the Company (or any duly authorised committee thereof) be and are hereby authorised:

   (a) to proceed with the Acquisition substantially on the terms and subject to the conditions set out in the share purchase agreement dated on or about the [●] 2017 between the Company and the existing shareholders of Eqtec Iberia SL (the "**Share Purchase Agreement**"), a copy of which will be produced to the meeting and initialled by the Chairman for the purposes of identification, and all other agreements and ancillary documents contemplated by the Share Purchase Agreement;

   (b) to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as the directors consider necessary, desirable or expedient to implement, or otherwise in connection with, the Acquisition; and

   (c) to agree such modifications, variations, revisions, waivers, extensions, additions or amendments to any of the terms and conditions of the Acquisition and/or to any documents relating to it, as the directors (or any duly authorised committee thereof) may in their absolute discretion think fit, provided such modifications, variations, revisions, waivers, extensions, additions or amendments are not of a material nature.

Authority to Allot Shares

2. That the Directors of the Company be and are hereby generally and unconditionally authorised pursuant to Section 1021(1) of the Companies Act, 2014 (the "**Act**") to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 1021 (12) of the Act) up to an aggregate nominal amount of €10,000,000. The authority hereby conferred shall expire on the conclusion of the next annual general meeting of the Company unless and to the extent that such authority is renewed, revoked or extended prior to such date. The Company may, before such expiry, make an offer or arrangement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired.

SPECIAL RESOLUTIONS

Disapplication of Pre-emption Rights

3. That the Directors of the Company be and are hereby empowered pursuant to section 1023(3) of the Act to allot equity securities (within the meaning of the said section 1023) for cash pursuant to the authority conferred by Resolution 3 above as if section 1022 (1) of the Act did not apply to any such allotment up to an aggregate nominal amount of €10,000,000, provided that this power shall expire on the conclusion of the next annual general meeting of the Company unless and to the extent that such authority is renewed, revoked or extended prior to such date, save that the Company may before such expiry make an offer or arrangement which would or might require securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred by this resolution has not expired.

Authorisation of Share Buyback

4. That the purchase by the Company of ordinary shares pursuant to the terms of the Share Purchase Agreement, be and are hereby authorised pursuant to Section 1075 of the Act and that such authority shall expire on the date which is 18 calendar months after the date of passing this Resolution unless previously varied, revoked or renewed by special resolution. The Company is permitted to make purchases of ordinary shares pursuant to the Share Purchase Agreement notwithstanding the expiry of this authority.

   Section 1111 of the Act requires the directors of a company to convene an extraordinary general meeting of its shareholders where its net assets are half or less of its called-up share capital, as is the case with the Company. Accordingly, the EGM will also address the requirements of Section 1111 of the Act.

DATED THIS DAY OF 2017

BY ORDER OF THE BOARD
BRENDAN HALPIN
COMPANY SECRETARY

REGISTERED OFFICE: BUILDING 1000, CITY GATE, CORK.
REGISTERED IN CORK, IRELAND – NO. 462861

Notes

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy as an alternative to attend, speak and vote instead of him/her. A proxy need not be a member of the Company. The deposit of an instrument of proxy will not preclude a member from attending and voting in person at the Extraordinary General Meeting or at any adjournment thereof.
2. A Form of Proxy is enclosed with this notice. To be effective, the Form of Proxy duly completed and signed together with any authority under which it is executed or a copy of such authority certified notarially or by a solicitor practising in the Republic of Ireland must be deposited at the offices of the Company's registrars, Link Asset Services, Link Registrars Limited, P.O. Box 7117, Dublin 2 (if delivered by post) or to 2 Grand Canal Square, Dublin 2, Ireland (if delivered by hand during normal business hours) not less than 48 hours before the time appointed for the Extraordinary General Meeting or in the case of an adjournment as at 48 hours before the time of the adjourned meeting. Any alteration to the Form of Proxy should be initialled by the person who signs it.
3. In the case of a corporation, the Form of Proxy must be either executed under seal or signed on its behalf by an officer or attorney duly authorised.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company.
5. The Company, pursuant to Regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulations 1996 specifies that only those Shareholders registered in the register of members of the Company as at 6.00 p.m. (Dublin time) on 18 December 2017 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes to entries in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.
6. Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the meeting or any adjournment(s) by using the CREST voting service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
7. In order for a proxy appointment or instruction made using the CREST voting service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by no later than 11.30 a.m. (Dublin time) on 18 December 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services, Link Registrars Limited is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
8. CREST members may appoint a proxy or proxies electronically through CREST via Link Asset Services, Link Registrars Limited (ID 7RA08).
9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

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