

28 June 2024

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

**Audited results for the year ended 31 December 2023**

EQTEC plc (AIM: EQT), a global technology innovator powering distributed, decarbonised, new energy infrastructure through its waste-to-value solutions for hydrogen, biofuels and energy generation announces, its audited results for the year ended 31 December 2023, together with post-period progress.

**Financial highlights**

- Revenue and other operating income: €2.5 million (2022: €8.0 million)
- Operating loss before interest, significant and non-recurring items: €3.5 million (2022: €4.9 million)
- Net assets: €21.2 million (31 December 2022: €37.1 million)
- Capital raise of £3.5 million (€4.1 million) through the placing of new shares
- Financial restructuring for additional funding of up to £3.0 million (c. €3.5 million)

The net loss including significant and non-recurring items was €23.5 million, which included investment impairments of €18.8 million in relation to a number of legacy projects in the business and unrecoverable debts to the Company.

**Commercial and operational highlights**

- EQTEC Italia MDC commissioning completed and operations commenced
  - Plant restart in March 2023
  - Full team hired, trained and deployed by year-end 2023
  - Operations and maintenance activities throughout 2023 and into 2024
- Evolution of R&D, innovation and engineering quality
  - Testing with steam-oxygen gasification toward large-scale RNG project for French government
  - Confirmation that results in R&D environment applicable for commercial scale
  - Achievement of three ISO certifications: ISO9001, ISO14001, ISO45001
- New, revenue-earning client projects acquired
  - Sale of Grande-Combe project to Idex with contract for supply of engineering and equipment
  - Joint win with Idex of RNG project in Limoges, France
  - Grant and feasibility work for large-scale RNG plant in France
  - New contract for engineering in Hawaii, USA
  - Engineering and equipment contract in California, USA
- Strategic transition implemented
  - Shift out of development work, with focus on engineering and equipment sales
  - 20% reduction in operational expenditure
  - Withdrawal from high-risk projects, including Billingham project in UK
- Business continuity secured
  - Financial restructure of Group for additional funding
  - Refinance of EQTEC Italia MDC with loan from respected Italian bank
  - Legal action in the UK toward recovery of unpaid fees and loan repayments due

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

"We ended 2023 with reasonable revenues of €2.5 million, a declining operating loss versus the previous year (€3.5 million vs. €4.9 million in 2022) and a financial restructuring that provided the Company with additional funding of up to £3 million (c. €3.5 million). In 2023, EQTEC reaffirmed our capabilities with syngas for new energy applications; we demonstrated our advanced engineering at our LERMAB R&D centre and at our EQTEC Italia MDC reference plant; we transitioned our business away from risk and cost toward greater predictability and sustainability. As

committed the previous year, we pivoted away from project ownership and development, toward provision of our unique technology and engineering capabilities to projects owned and managed by others. These decisions have reshaped the business for more focused, reliable and sustainable growth."

### **Current trading and outlook**

- Continued active R&D, innovation and engineering development to retain leading capability
  - Steam-oxygen advanced gasification capability installed in 2022 actively applied to client trials and tests in 2023 at LERMAB facility of Université de Lorraine in Épinal, France
  - From late 2023 to early 2024, attraction of several, prospective Utility clients and technology partners via LERMAB R&D facility, with a focus on renewable natural gas (RNG) and liquid fuels
  - Shift away from Company investment into R&D activities toward client-funded R&D work for specific client project opportunities (2023 testing revenues: c. €119,000)
  - Successful achievement of three international standards certifications, including ISO9001, ISO14001 and ISO45001
  - Significant reduction in non-engineering staff, toward management of operational expenditure and toward future investment in operations-focused engineering capability
- Shift in focus away from EQTEC-owned or developed projects to client-owned or developed projects with risks to the Company mitigated by contracted and/or larger, better-funded partners
  - Sale of Grande-Combe project to infrastructure owner-operator Idex, with rights to use as reference centre for EQTEC technology and with engineering services and equipment contracts
  - Successful completion of feasibility work with a team of French and European experts on a major RNG project in France, funded by a €1 million grant from the national government
  - Competitive win of RNG project for Limoges Métropole in France, through partnership with large-scale infrastructure partner Idex
  - Actively qualified, negotiated and contracted with Hawaii, USA-based developer for supply of technology with limited need for regular, on-site work, through ecosystem approach to delivery
  - Contracted with small, California-based developer Phoenix Biomass Energy for development of second power and biochar plant in Sierra, based on a contract that derisks EQTEC's involvement
  - By end of 2023, the Company retained equity or carried interest only in specific, EQTEC reference centre projects and in the North Fork project in California, USA, but in no other projects in its portfolio
- Maintenance of business continuity through strategic transition
  - Reduction in operational expenditure by 20% and step up in pursuit of late accounts receivable
  - Gross margin of 15% in 2023 with c. 30% forecast in H1 2024, through application of a market-aligned rate card and disciplines with commercial offer management and execution
  - £3.5 million capital raise in March 2023 through a placing of shares to support working capital through transition for the Company's business model
  - In Q4 2023, financial restructuring with lenders, which included provision of a new syndicated facility of up to £3.0 million, with an initial, advance of £950,000; in May 2024, refinance of the historic secured debt facilities with a new, 24-month bullet term loan, with no fixed payments during the period
  - Refinance of EQTEC Italia MDC with a secure a loan facility of €2.9 million from a historic private banking group in Italy
  - Discontinuation of Billingham, UK project and legal action on another project toward recovery of unpaid fees and loan repayments due
  - Impairments totalling c. €18.8 million on a number of legacy projects and a number of unrecoverable debts payable to the Company

### **Annual report**

The full, 2023 annual report, which addresses all the points above and which details full, financial results and other performance outcomes for the Company, may be found on the Company's website at <https://eqtec.com/investing-in-eqtec/>

Additionally, the full, 2023 annual report for the Company is available at the following hyperlink: [http://www.rns-pdf.londonstockexchange.com/rns/2415U\\_1-2024-6-27.pdf](http://www.rns-pdf.londonstockexchange.com/rns/2415U_1-2024-6-27.pdf)

The principal financial tables and associated notes, extracted from the Annual Report, are set out below:

**Consolidated statement of profit or loss  
for the financial year ended 31 December 2023**

	Notes	2023 €	2022 €
<b>Revenue</b>	8	2,546,975	7,970,072
Cost of sales		<u>(2,174,345)</u>	<u>(7,002,314)</u>
<b>Gross profit</b>		372,630	967,758
<b>Operating income/(expenses)</b>			
Administrative expenses		(4,363,765)	(5,708,787)
Other income	9	109,672	33,645
Impairment costs	14	-	(2,752)
Other gains	12	431,962	10,088
Employee share-based compensation	10	-	(340,257)
Foreign currency losses/(gains)		<u>(48,212)</u>	<u>156,835</u>
<b>Operating loss</b>		(3,497,713)	(4,883,470)
Share of results from equity accounted investments	21	(23,603)	(52,059)
Gains from sales to equity accounted investments deferred	21	-	(28,378)
Loss arising from loss of control of subsidiaries		-	(489)
Change in fair value of financial investments	23	(26,143)	(326,501)
Finance income	11	121,320	316,805
Finance costs	11	(1,486,020)	(589,618)
<i>Significant and non-recurring transactions:</i>			
Impairment of equity-accounted investments	15	(2,619,234)	(4,712,490)
Impairment of other investments	15	(1,417,066)	-
Impairment on loans receivable from project development undertakings	15	(3,528,550)	-
Impairment of development assets	15	(4,603,546)	-
Impairment of goodwill	15	(5,283,459)	-
Impairment of trade and other receivables	15	(1,393,864)	-
Loss on disposal of tangible asset	15	-	<u>(154,205)</u>
<b>Loss before taxation</b>	14	(23,757,878)	(10,430,405)
Income tax	16	<u>(22,768)</u>	<u>(60,934)</u>
Loss for the year from continuing operations		(23,780,646)	(10,491,339)
Profit/(loss) for the year from discontinued operations	35	<u>271,954</u>	<u>(33,776)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(23,508,692)</u>	<u>(10,525,115)</u>
<b>Loss attributable to:</b>			
Owners of the Company		(23,508,657)	(10,525,104)
Non-controlling interest		<u>(35)</u>	<u>(11)</u>
		<u>(23,508,692)</u>	<u>(10,525,115)</u>
		<b>2023 € per share</b>	<b>2022 € per share (Restated)</b>
Basic loss per share:			
From continuing operations	17	(0.208)	(0.117)
From discontinued operations	17	<u>0.002</u>	-
Total basic loss per share	17	<u>(0.206)</u>	<u>(0.117)</u>
Diluted loss per share:			
From continuing operations	17	(0.208)	(0.117)
From discontinued operations	17	<u>0.002</u>	-
Total diluted loss per share	17	<u>(0.206)</u>	<u>(0.117)</u>

The notes on pages 11 to 58 form part of these financial statements.

**Consolidated statement of comprehensive income  
for the financial year ended 31 December 2023**

	2023 €	2022 €
<b>Loss for the financial year</b>	<u>(23,508,692)</u>	<u>(10,525,115)</u>
<b>Other comprehensive (loss)/income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on retranslation of foreign operations	<u>179,037</u>	<u>(478,066)</u>
Other comprehensive (loss)/income for the year	<u>179,037</u>	<u>(478,066)</u>

<b>Total comprehensive loss for the financial year</b>	<u>(23,329,655)</u>	<u>(11,003,181)</u>
<b>Attributable to:</b>		
Owners of the company	(23,282,246)	(11,128,847)
Non-controlling interests	<u>(47,409)</u>	<u>125,666</u>
	<u>(23,329,655)</u>	<u>(11,003,181)</u>

The notes on pages 11 to 58 form part of these financial statements.

**Consolidated statement of financial position**  
**At 31 December 2023**

	Notes	2023 €	2022 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	18	615,634	133,053
Intangible assets	19	12,177,408	17,578,231
Investments accounted for using the equity method	21	6,832,388	7,619,514
Financial assets	22	-	3,728,434
Other financial investments	23	<u>6,715</u>	<u>171,186</u>
Total non-current assets		<u>19,632,145</u>	<u>29,230,418</u>
<b>Current assets</b>			
Development assets	25	613,516	6,033,543
Loan receivable from project development undertakings	25	2,066,099	5,446,087
Trade and other receivables	26	7,044,217	7,221,046
Cash and cash equivalents	27	<u>262,019</u>	<u>1,693,116</u>
Total current assets		<u>9,985,851</u>	<u>20,393,792</u>
<b>Total assets</b>		<b><u>29,617,996</u></b>	<b><u>49,624,210</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	28	32,497,848	26,799,584
Share premium	28	88,916,950	87,203,372
Other reserves	28	2,694,125	2,694,125
Accumulated deficit		<u>(100,588,165)</u>	<u>(77,305,919)</u>
Equity attributable to the owners of the company		23,520,758	39,391,162
Non-controlling interests	29	<u>(2,305,932)</u>	<u>(2,258,523)</u>
Total equity		<u>21,214,826</u>	<u>37,132,639</u>
<b>Non-current liabilities</b>			
Borrowings	30	2,457,984	1,064,598
Lease liabilities	31	<u>400,518</u>	<u>-</u>
Total non-current liabilities		<u>2,858,502</u>	<u>1,064,598</u>
<b>Current liabilities</b>			
Trade and other payables	32	2,853,641	6,264,404
Borrowings	30	2,488,229	5,106,038
Lease liabilities	31	<u>202,798</u>	<u>56,531</u>
Total current liabilities		<u>5,544,668</u>	<u>11,426,973</u>
<b>Total equity and liabilities</b>		<b><u>29,617,996</u></b>	<b><u>49,624,210</u></b>

The financial statements were approved by the Board of Directors on 27 June 2024 and signed on its behalf by:

**Ian Pearson**  
Non-Executive Chairman

**David Palumbo**  
Chief Executive Officer

The notes on pages 11 to 58 form part of these financial statements.

**Consolidated statement of changes in equity  
for the financial year ended 31 December 2023**

	Share Capital	Share premium	Other reserves	Accumulated deficit	Equity attrit to owners co
	€	€	€	€	
<b>Balance at 1 January 2022</b>	<u>25,977,130</u>	<u>83,610,562</u>	<u>2,353,868</u>	<u>(66,177,072)</u>	<u>45.7</u>
Issue of ordinary shares in EQTEC plc (Note 28)	769,697	3,717,379	-	-	4.4
Conversion of debt into equity (Notes 28)	52,757	237,672	-	-	2
Share issue costs (Note 28)	-	(362,241)	-	-	(3)
Employee share-based compensation (Notes 10)	-	-	<u>340,257</u>	-	2
<i>Transactions with owners</i>	<u>822,454</u>	<u>3,592,810</u>	<u>340,257</u>	-	<u>4.7</u>
Loss for the financial year	-	-	-	(10,525,104)	(10.5)
Unrealised foreign exchange losses	-	-	-	<u>(603,743)</u>	<u>(6)</u>
<i>Total comprehensive loss for the financial year</i>	-	-	-	<u>(11,128,847)</u>	<u>(11.1)</u>
<b>Balance at 31 December 2022</b>	<u>26,799,584</u>	<u>87,203,372</u>	<u>2,694,125</u>	<u>(77,305,919)</u>	<u>39.3</u>
Issue of ordinary shares in EQTEC plc (Note 28)	1,596,560	2,399,413	-	-	3.5
Conversion of debt into equity (Note 28)	4,101,704	(224,713)	-	-	3.8
Share issue costs (Note 28)	-	<u>(461,122)</u>	-	-	<u>(4)</u>
<i>Transactions with owners</i>	<u>5,698,264</u>	<u>1,713,578</u>	-	-	<u>7.4</u>
Loss for the financial year	-	-	-	(23,508,657)	(23.5)
Unrealised foreign exchange losses	-	-	-	<u>226,411</u>	<u>2</u>
<i>Total comprehensive loss for the financial year</i>	-	-	-	<u>(23,282,246)</u>	<u>(23.2)</u>
<b>Balance at 31 December 2023</b>	<u>32,497,848</u>	<u>88,916,950</u>	<u>2,694,125</u>	<u>(100,588,165)</u>	<u>23.5</u>

The notes on pages 11 to 58 form part of these financial statements.

**Consolidated statement of cash flows  
for the financial year ended 31 December 2023**

	Notes	2023 €	2022 €
<b>Cash flows from operating activities</b>			
Loss for the financial year before income tax		(23,757,878)	(10,430,405)
Adjustments for:			
Depreciation of property, plant and equipment	18	181,584	239,233
Amortisation of intangible assets	19	124,664	124,602
Loss on disposal of tangible assets	15	-	154,205
Impairment of goodwill	15	5,283,459	-
Impairment of equity-accounted investments	15	2,619,234	4,712,490
Impairment of other investments	15	1,417,066	-
Impairment of loans receivable	15	3,528,550	-
Employee share-based compensation	10	-	340,257
Impairment of development assets	25	4,603,546	2,752
Impairment of trade and other receivables	15	1,393,864	-
Share of loss of equity accounted investments	21	23,603	52,059
Gains from sales to equity accounted investments deferred	21	-	28,378
Loss on loss of control of subsidiary	20	-	489
Change in fair value of financial investments	23	26,143	326,501
Gain on debt for equity swap	12	(431,962)	(10,088)
Unrealised foreign exchange movements		<u>451,240</u>	<u>(319,440)</u>

Operating cash flows before working capital changes		(4,536,887)	(4,778,967)
Decrease/(Increase) in:			
Development assets		54,100	(2,578,047)
Trade and other receivables		(1,274,229)	(2,837,708)
Decrease in Trade and other payables		<u>(1,020,070)</u>	<u>(274,938)</u>
<b>Net cash used in operating activities - continuing operations</b>		<b>(6,777,086)</b>	<b>(10,469,660)</b>
Finance income	11	(121,320)	(316,805)
Finance costs	11	1,486,020	589,618
Taxes paid		<u>145</u>	<u>(108,311)</u>
<b>Net cash used in operating activities - continuing operations</b>		<b>(5,412,241)</b>	<b>(10,305,158)</b>
Net cash used in operating activities - discontinued operations	35	<u>(1,448)</u>	<u>(33,776)</u>
<b>Net cash used in operating activities</b>		<b><u>(5,413,689)</u></b>	<b><u>(10,338,934)</u></b>
<b>Cash flows from investing activities</b>			
Addition to tangible assets	18	(6,265)	(29,199)
Additions to intangible assets	19	(7,300)	-
Payments on deposit on land	26	-	(586,421)
Cash inflow from disposal of subsidiary	34	225,573	170,000
Loans advanced to project development undertakings	25	-	(773,034)
Loans repaid by project development undertakings	25	-	100,000
Investment in equity accounted undertakings	21	(29,780)	(6,790)
Loans advanced to equity accounted undertakings	21	(350,450)	(2,852,699)
Loans repaid by equity accounted undertakings	21	35,700	40,018
Investment in related undertakings	22	-	(351,853)
Investment in unconsolidated subsidiary	23	(1,000)	-
Addition to other investments	23	(5,665)	-
Grants received	33	300,000	-
Other advances to equity accounted undertakings		(2,000)	(2,000)
Interest received		<u>39</u>	<u>-</u>
<b>Net cash generated from/(used in) investing activities - continuing operations</b>		<b>158,852</b>	<b>(4,291,978)</b>
Net cash generated from/(used in) investing activities - discontinued operations	35	<u>-</u>	<u>(50,000)</u>
<b>Net cash generated from/(used in) investing activities</b>		<b><u>158,852</u></b>	<b><u>(4,341,978)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings and lease liabilities	30	2,291,952	7,236,850
Repayment of borrowings and lease liabilities	30	(2,309,483)	(1,126,483)
Loan issue costs	30	(50,361)	(334,557)
Proceeds from issue of ordinary shares	28	4,051,609	4,430,069
Share issue costs	28	(295,670)	(274,784)
Interest paid		<u>(12,488)</u>	<u>(3,284)</u>
<b>Net cash generated from financing activities - continuing operations</b>		<b>3,675,559</b>	<b>9,927,811</b>
Net cash generated from financing activities - discontinued operations	35	<u>-</u>	<u>-</u>
<b>Net cash generated from financing activities</b>		<b><u>3,675,559</u></b>	<b><u>9,927,811</u></b>
<b>Net decrease in cash and cash equivalents</b>		<b>(1,579,278)</b>	<b>(4,753,101)</b>
Cash and cash equivalents at the beginning of the financial year		<u>1,693,116</u>	<u>6,446,217</u>
<b>Cash and cash equivalents at the end of the financial year</b>	27	<b><u>113,838</u></b>	<b><u>1,693,116</u></b>

Details of non-cash transactions are set out in Note 38 of the financial statements.

The notes on pages 11 to 58 form part of these financial statements.

**Company statement of financial position**  
**At 31 December 2023**

		<b>2023</b>	<b>2022</b>
	Notes	€	€
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	19	2,170,169	2,294,772
Investment in subsidiary undertakings	20	4,948,536	19,729,486
Investments accounted for using the equity method	21	-	2,728,959
Other financial investments	23	-	171,186
<b>Total non-current assets</b>		<b>7,118,705</b>	<b>24,924,403</b>
<b>Current assets</b>			
Development assets	25	88,129	1,258,191
Loan receivable from project development undertakings	25	-	3,421,901
Trade and other receivables	26	18,761,984	23,671,749
Cash and bank balances	27	108,763	980,098
<b>Total current assets</b>		<b>18,958,876</b>	<b>29,331,939</b>
<b>Total assets</b>		<b>26,077,581</b>	<b>54,256,342</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	28	32,497,848	26,799,584
Share premium	28	107,851,030	106,137,452
Other reserves	28	2,694,125	2,694,125
Accumulated deficit		(122,312,919)	(88,820,042)
<b>Total equity</b>		<b>20,730,084</b>	<b>46,811,119</b>
<b>Total non-current liabilities</b>			
Borrowings	30	2,457,984	1,064,598
<b>Current liabilities</b>			
Borrowings	30	2,242,250	5,006,076
Trade and other payables	32	647,263	1,374,549
<b>Total current liabilities</b>		<b>2,889,513</b>	<b>6,380,625</b>
<b>Total equity and liabilities</b>		<b>26,077,581</b>	<b>54,256,342</b>

The Group is availing of the exemption in Section 304 of the Companies Act 2014 from filing its Company Statement of Comprehensive Income. The loss for the financial year incurred by the Company was €33,492,877 (2022: €5,216,344).  
The financial statements were approved by the Board of Directors on 27 June 2024 and signed on its behalf by:

**Ian Pearson**  
Non-Executive Chairman

**David Palumbo**  
Chief Executive Officer

The notes on pages 11 to 58 form part of these financial statements.

**Company statement of changes in equity**  
**for the financial year ended 31 December 2023**

	Share capital €	Share premium €	Other reserves €	Accumulated deficit €	Total €
Balance at 1 January 2022	25,977,130	102,544,642	2,353,868	(83,603,698)	47,271,942
Issue of ordinary shares in EQTEC plc (Note 28)	769,697	3,717,379	-	-	4,487,076
Conversion of debt into equity (Notes 28 and 30)	52,757	237,672	-	-	290,429
Share issue costs (Note 28)	-	(362,241)	-	-	(362,241)

Employee share-based compensation (Note 10)	-	-	<u>340,257</u>	-	<u>340,257</u>
Transactions with owners	<u>822,454</u>	<u>3,592,810</u>	<u>340,257</u>	-	<u>4,755,521</u>
Loss for the financial year (Note 39)	-	-	-	<u>(5,216,344)</u>	<u>(5,216,344)</u>
Total comprehensive loss for the financial year	-	-	-	<u>(5,216,344)</u>	<u>(5,216,344)</u>
<b>Balance at 31 December 2022</b>	<b><u>26,799,584</u></b>	<b><u>106,137,452</u></b>	<b><u>2,694,125</u></b>	<b><u>(88,820,042)</u></b>	<b><u>46,811,119</u></b>
Issue of ordinary shares in EQTEC plc (Note 28)	1,596,560	2,399,413	-	-	3,995,973
Conversion of debt into equity (Note 28)	4,101,704	(224,713)	-	-	3,876,991
Share issue costs (Note 28)	-	<u>(461,122)</u>	-	-	<u>(461,122)</u>
Transactions with owners	<u>5,698,264</u>	<u>1,713,578</u>	-	-	<u>7,411,842</u>
Loss for the financial year (Note 39)	-	-	-	<u>(33,492,877)</u>	<u>(33,492,877)</u>
Total comprehensive loss for the financial year	-	-	-	<u>(33,492,877)</u>	<u>(33,492,877)</u>
<b>Balance at 31 December 2023</b>	<b><u>32,497,848</u></b>	<b><u>107,851,030</u></b>	<b><u>2,694,125</u></b>	<b><u>(122,312,919)</u></b>	<b><u>20,730,084</u></b>

The notes on pages 11 to 58 form part of these financial statements.

**Company statement of cash flows  
for the financial year ended 31 December 2023**

		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>€</b>	<b>€</b>
<b>Cash flows from operating activities</b>			
Loss for the financial year before taxation		(33,492,877)	(5,216,344)
Adjustments for:			
Amortisation of intangible assets	19	124,603	124,602
Employee share-based compensation	10	-	151,411
Impairment of subsidiaries	20	15,783,854	-
Impairment of equity-accounted investments	15	2,728,959	4,712,490
Impairment of other investments	23	148,521	-
Impairment of loans to project development undertakings	25	3,528,550	-
Impairment of development assets	25	496,312	-
Reversal of impairment of intercompany loans		-	(170,000)
Finance costs	11	1,459,891	579,137
Finance income	11	(48,176)	(260,720)
Impairment of intercompany balances	26	8,986,681	2,786
Change in fair value of other financial investments	23	26,143	326,501
Gain on debt for equity swap	12	(431,962)	(10,088)
Foreign currency losses arising from retranslation of borrowings		<u>43,971</u>	<u>349,360</u>
Operating cash flows before working capital changes		(645,530)	589,135
Funds advanced to intercompany accounts		(3,862,913)	(11,029,109)
Repayment of intercompany balances		1,771,585	3,832,442
Increase in development assets		(88,631)	(952,638)
Increase in trade and other receivables		(883,808)	(5,310,477)
(Decrease)/increase in trade and other payables		<u>(27,068)</u>	<u>773,618</u>
<b>Net cash used in operating activities</b>		<b><u>(3,736,365)</u></b>	<b><u>(12,097,029)</u></b>
<b>Cash flows from investing activities</b>			
Loans advanced to equity accounted undertakings	21	-	(528,085)
Investment in subsidiary	20	(1,000,000)	(1,550,000)
Loans to subsidiaries repaid		-	170,000
Loans repaid by project development undertakings	25	-	100,000
Interest received		<u>12</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<b><u>(999,988)</u></b>	<b><u>(1,808,085)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	30	2,291,952	7,138,782
Repayment of borrowings	30	(2,132,512)	(919,931)
Proceeds from issue of ordinary shares	28	4,051,609	4,430,069
Share issue costs	28	(295,670)	(274,784)
Loan issue costs	30	<u>(50,361)</u>	<u>(334,557)</u>
<b>Net cash generated from financing activities</b>		<b><u>3,865,018</u></b>	<b><u>10,039,579</u></b>
<b>Net decrease in cash and cash equivalents</b>		<b><u>(871,335)</u></b>	<b><u>(3,865,535)</u></b>
Cash and cash equivalents at the beginning of the financial year		<u>980,098</u>	<u>4,845,633</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>27</b>	<b><u>108,763</u></b>	<b><u>980,098</u></b>

The notes on pages 11 to 58 form part of these financial statements.

**Notes to the financial statements**



## 1. GENERAL INFORMATION

EQTEC plc ("the Company/parent company") is a company domiciled in Ireland. These financial statements for the financial year ended 31 December 2023 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as 'the Group').

The Group is a technology provider to clients in the Utility, Industrial and Waste Management sectors with its own, proprietary and patented technology for clean production of synthesis gas (syngas), a fossil fuel alternative that will increasingly contribute to production of the world's baseload energy and biofuels. Syngas plants utilising EQTEC technology are fuelled by waste from industrial, municipal, agricultural, forestry and other sources. Syngas can be used either as a direct replacement for natural gas or as an intermediate fuel for generation of a range of final fuels including hydrogen, renewable natural gas (RNG), liquid biofuels, thermal energy, electrical power and chemicals such as methanol or ethanol.

EQTEC designs, develops and supplies core technology to syngas production plants in Europe and the USA, with highly efficient equipment that is modular and scalable from 1MW to 30MW and beyond. EQTEC's versatile solutions convert at least 60 types of feedstock, including biomass wastes, industrial wastes and municipal solid waste, with no hazardous or toxic emissions.

In future, EQTEC intends to augment its services and equipment revenues with recurring revenues from licensing of its technology to syngas plant owners, providing value-added services including maintenance, upgrades and data-based services over the lifetime of each plant.

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

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

### New/revised standards and interpretations adopted in 2023

In the current financial year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union, that are effective for an annual period that begins on or after 1 January 2023. Their adoption has not had any impact on the disclosures or on the amounts reported in these financial statements.

- IFRS 17 *Insurance Contracts* and Amendments to IFRS 17 *Insurance Contracts (Amendments to IFRS 17 and IFRS 4)*;
- Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*;
- Amendments to IAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*;
- Amendments to IAS 12 *International Tax Reform - Pillar Two Model Rules*;
- Amendments to IAS 8 *Definition of Accounting Estimates*.

### New and revised IFRS Standards in issue but not yet effective

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

- Amendments to IFRS 10 and IAS 28 *Sale of Contribution of Assets between an Investor and its Associate or Joint Venture*;
- Amendments to IAS 1 *Classification of Liabilities as Current or Non-current*;
- Amendments to IAS 1 *Non-current Liabilities with Covenants*;
- Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*;
- Amendments to IAS 21 *Lack of Exchangeability*;
- Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*.

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

## 3. STATEMENT OF MATERIAL ACCOUNTING POLICIES

### Statement of Compliance, Basis of Preparation and Going Concern

The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ('EU') and effective at 31 December 2023 for all years presented as issued by the International Accounting Standards Board.

The financial statements of the parent company, EQTEC plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union ('EU') effective at 31 December 2023 for all years presented as issued by the International Accounting Standards Board and Irish Statute comprising the Companies Act 2014.

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

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

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

The Group incurred a loss of €23,508,692 after posting non-recurring items of €18,845,719 (2022: €10,525,115) during the financial year ended 31 December 2023 and had net current assets of €4,441,183 (2022: €8,966,819) and net assets of €21,214,826 (2022: €37,132,639) at 31 December 2023.

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

The directors had carried out an evaluation of financial forecasts, sensitised to reflect a rational judgement of the level of inherent risk. The forecasts which Management have prepared covering the next 12 months include certain assumptions with regard to cost and overhead reductions, the timing and amount of any funds generated from sales of the Group's technology and committed proceeds from a legal settlement agreement. The forecasts indicate that during this period the Group will have sufficient funds to continue with its activities for a period of at least 12 months from the date of signing these financial statements.

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

**Basis of consolidation**

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2023. All subsidiaries have a reporting date of 31 December.

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

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

**Business combinations**

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

**Step Acquisitions**

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

**Profit or loss from discontinued operations**

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale. Profit or loss from discontinued operations comprises the post-tax profit or loss of discontinued operations and the post-tax gain or loss resulting from the measurement and disposal of assets classified as held for sale (see also policy on non-current assets and liabilities classified as held for sale and discontinued operations below and Note 35).

**Investments in associates and joint ventures**

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

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

If there is objective evidence that the Group's net investment in an associate or joint venture is impaired, the requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

**Investments in related undertaking**

Advances paid to acquire investee shares are recognised at cost and will be reclassified to either to investments in associates and joint ventures or investments in subsidiaries, as applicable.

**Investments in subsidiaries**

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

**Foreign currency translation***Functional and presentation currency*

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

*Foreign currency transactions and balances*

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

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

*Foreign operations*

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

during the reporting financial year.

#### *Foreign operations - continued*

On consolidation, assets and liabilities have been translated into Euro at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into Euro at the closing rate. Income and expenses have been translated into Euro at the average rate over the reporting financial year. Exchange differences are charged or credited to consolidated statements of other comprehensive income and recognised in the accumulated deficit reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal. To the extent that foreign subsidiaries are not under the full control of the parent company, the relevant share of currency differences is allocated to the non-controlling interests.

#### **Segment reporting**

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

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

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

#### **Revenue**

Revenue arises from the rendering of services. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. To determine whether to recognise revenue, the Group follows a 5-step process:

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

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

#### *Rendering of services*

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

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

#### *Construction contracts for renewable energy systems*

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

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

#### *Interest and dividends*

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

#### **Operating expenses**

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

#### **Borrowing costs**

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

#### **Goodwill**

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

#### **Non-controlling interests**

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

**Property, plant and equipment**

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

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

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

Construction in progress is stated at cost less any accumulated impairment loss. Cost comprises direct costs of construction as well as interest expense and exchange differences capitalised during the year of construction and installation. Capitalisation of these costs ceases and the asset in course of construction is transferred to fixed assets when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided in respect of payments on account and asset in course of construction until it is fully completed and ready for its intended use. Construction in progress is derecognised upon disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the construction in progress (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the asset is derecognised.

**Leased assets***The Group as a lessee*

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

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

*Measurement and recognition of leases*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

*Measurement and recognition of leases - continued*

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

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

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

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

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

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

On the consolidated statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been presented in separate lines therein.

**Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. All finite-lived intangible assets, including patents, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. The following useful lives are applied:

- Patents: 20 years

#### **Impairment testing of goodwill, intangible assets and property, plant and equipment**

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

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

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

#### **Development assets**

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

#### **Financial instruments**

##### *Recognition, initial measurement and derecognition*

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. If the Group issues equity instruments to a creditor to extinguish all or part of a financial liability, the Group recognises in profit or loss the difference between the carrying amount of the financial liability (or part thereof) extinguished and the measurement of the equity instruments issued.

##### *Classification and subsequent measurement of financial assets*

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

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

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

The classification is determined by both:

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

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

##### *Financial assets at amortised cost and impairment*

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

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

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

##### *Financial assets at fair value through profit or loss (FVTPL)*

Financial assets held within a different business model other than 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

This category contains equity investments. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investments at FVOCI. The fair value was determined in line with the requirements of IFRS13 'Fair Value Measurement'.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active markets transactions or using a valuation technique where no active market exists.

##### *Impairment of financial assets*

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

#### *Impairment of financial assets - continued*

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category (ie Stage 1) while 'lifetime expected credit losses' are recognised for the second category (ie Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### *Trade and other receivables*

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

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

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

The expected loss rates are based on the payment profile for sales over the past 48 months before 31 December 2023 and 1 January respectively as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. The Group has identified gross domestic product (GDP) and unemployment rates in the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historical loss rates for expected changes in these factors. However, given the short period exposed to credit risk, the impact of these macroeconomic factors has not been considered significant within the reporting period.

#### *Classification and subsequent measurement of financial liabilities*

The Group and Company's financial liabilities include borrowings, lease liabilities, trade and other payables and derivative financial instruments.

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

#### **Fair values**

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: valuation techniques for which the lowest level of inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: valuation techniques for which the lowest level of inputs that have a significant effect on the recorded fair value are not based on observable market data

#### **Income taxes**

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

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

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

#### **Income taxes - continued**

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

#### **Cash and cash equivalents**

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

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

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

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

#### **Equity, reserves and dividend payments**

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

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

#### **Share-based payments**

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

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

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

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

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

#### **Warrants**

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

#### **Post-employment benefit plans**

The Group provides post-employment benefit plans through various defined contribution plans.

##### *Defined contribution plans*

The Group pays fixed contributions into independent entities in relation to several retirement plans and insurances for individual employees. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

#### **Short-term employee benefits**

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

#### **Provisions, contingent assets and contingent liabilities**

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

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

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

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

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

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

#### **Significant management judgements**

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

##### *Going concern*

As described in the basis of preparation and going concern in Note 3 above, the validity of the going concern basis is dependent upon the achievement of management forecasts taking account of a rational judgement of the level of inherent risk and market conditions. After undertaking the assessments and considering the uncertainties set out above, the Directors have a reasonable expectation that the Group and the Company has adequate resources to continue to operate for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group and Company's ability to continue as a going concern.

##### *Control assessment in a business combination.*

As disclosed in Note 20, the Group owns 50.02% of the voting rights in Newry Biomass Limited. One other company owns the remaining voting rights. Management has reassessed its involvement in Newry Biomass Limited in accordance with IFRS 10's revised control definition and guidance and has concluded that, based on its sufficiently dominant voting interests to direct its

revised control definition and guidance and has concluded that, based on its sufficiently dominant voting interests to direct its activities, it has control of Newry Biomass Limited.

As disclosed in Note 20, the Group owns 100% of the shares in Biogaz Gardanne SAS. Biogaz Gardanne SAS was created to fulfil a narrow specific purpose which was to fulfil the objectives of the French government. Management has assessed its involvement in Biogaz Gardanne SAS in accordance with IFRS 10's revised control definition and guidance and has concluded that, based on the fact that control over the activities of the company is driven by the French government, it does not have control over Biogaz Gardanne SAS and that the investment should be accounted for as an unconsolidated structured entity.

#### *Interests in joint ventures*

The Group holds 50.1% of the share capital of EQTEC Synergy Projects Limited but this entity is considered to be a joint venture as decisions about the relevant activities requires the unanimous consent of both the Group and the joint venture partner.

The Group holds 49% of the share capital of Synergy Karlovac d.o.o. and Synergy Belisce d.o.o. However, these entities are considered to be a joint venture of the Group as decisions about the relevant activities requires the unanimous consent of both the Group and the joint venture partner.

#### *Revenue*

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

#### *Deferred tax assets*

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

### **5. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY - Continued**

#### *Estimation uncertainty*

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

#### *Impairment of goodwill and non-financial assets*

Determining whether goodwill and non-financial assets are impaired requires an estimation of the value in use of the cash generating units to which the assets have been allocated. The value in use calculation requires the directors to estimate the future cash flows to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual cash flows are less than expected, a material impairment may arise. The total property, plant and equipment reversal of impairment charges during the financial year as included in Note 18 amounted to €Nil (2022: €Nil), while the impairment for goodwill during the financial year as included in Note 19 amounted to €5,283,459 (2022: €Nil).

#### *Provision for impairment of equity-accounted investments - Group*

Determining whether the carrying value of Group's equity-accounted investments has been impaired requires an estimation of the value in use of the investment in associated undertakings and joint venture vehicles. The value in use calculation requires the directors to estimate the future cash flows expected to arrive from these vehicles and a suitable discount rate in order to calculate present value. After reviewing these calculations, the directors are satisfied that a net impairment cost of €2,619,234 (2022: €4,712,490) be recognised in the Group accounts of EQTEC plc. Details on equity-accounted investments can be found in note 21.

#### *Provision for impairment of investment in subsidiaries - Company*

Determining whether the carrying value of the Company's investment in subsidiaries has been impaired requires an estimation of the value in use of the investment in subsidiaries. The value in use calculation requires the directors to estimate the future cash flows expected to arrive from these vehicles and a suitable discount rate in order to calculate present value. After reviewing these calculations, the directors are satisfied that a net impairment cost of €15,783,854 (2022: €Nil) be recognised in the Company accounts of EQTEC plc. Details on investment in subsidiaries can be found in note 20.

#### *Useful lives and residual values of intangible assets*

Intangible assets are amortised over their useful lives taking into account, where appropriate, residual values. Assessment of useful lives and residual values are performed annually, taking into account factors such as technological innovation, market information and management considerations. In assessing the residual value of an asset, its remaining life, projected disposal value and future market conditions are taken into account. Detail on intangible assets can be found in note 19.

#### *Provision for impairment of financial assets*

Determining whether the carrying value of Group's financial assets has been impaired requires an estimation of the value in use of the financial assets. The value in use calculation requires the directors to estimate the future cash flows expected to arrive from these vehicles and a suitable discount rate in order to calculate present value. After reviewing these calculations, the directors are satisfied that a net impairment cost of €1,417,066 (2022: €Nil) be recognised in the Group accounts of EQTEC plc. Details on financial assets can be found in Note 22.

#### *Allowances for impairment of loans receivable from project development undertakings*

The Group estimates the allowance for doubtful loan receivables based on assessment of specific accounts where the Group has objective evidence comprising default in payment terms or significant financial difficulty that certain borrowers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship. The Group and Company measure expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Group and Company use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. At 31 December 2023, provisions for doubtful loans receivable amounted to €3,528,550 (2022: €Nil) (see note 25).

#### *Allowances for impairment of trade receivables*

The Group estimates the allowance for doubtful trade receivables based on assessment of specific accounts where the Group has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship. The Group and Company measure expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Group and Company use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. At 31 December 2023, provisions for doubtful debts amounted to €875,687 which represents 12% of trade receivables at that date (2022: €475,687- 7%) (see note 26).



#### *Share based payments and warrants*

The calculation of the fair value of equity-settled share-based awards and warrants issued in connection with share issues and the resulting charge to the consolidated statement of profit or loss or share-based payment reserve requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards at the date of grant (See Notes 10 and 28).

#### *Estimating impairment of development assets*

Management estimates the net realisable values of development assets, taking into account the most reliable evidence available at each reporting date. The future realisation of these development assets may be affected by market-driven changes that may reduce future prices/premiums (See Note 25). After reviewing the development assets, the directors are satisfied that a net impairment cost of €4,603,546 (2022: €2,752) be recognised in the Group accounts of EQTEC plc.

## **5. FINANCIAL RISK MANAGEMENT**

#### *Financial risk management objectives and policies*

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

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

Many of the Group and Company's transactions are carried out in Pounds Sterling.

#### *Credit risk*

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

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

	2023	2022
	€	€
Loans receivable from project development undertakings (Note 25)	2,066,099	5,446,087
Trade and other receivables (Note 26)	6,723,599	6,094,669
Cash and cash equivalents (Note 27)	<u>262,019</u>	<u>1,693,116</u>

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

	2023	2022
	€	€
Loans receivable from project development undertakings (Note 25)	-	3,421,901
Trade and other receivables (Note 26)	18,591,102	23,552,137
Cash and cash equivalents (Note 27)	<u>108,763</u>	<u>980,098</u>

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

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

The Group had risk exposure to the following counterparties at year-end:

	2023	2022
	€	€
<u>Loans receivable from project development undertakings</u>		
Loan receivable from Logik Wte Limited (Note 25)	2,066,099	2,024,186
Loan receivable from Shankley Biogas Limited (Note 25)	-	2,824,572
<u>Trade and other receivables</u>		
Receivable from Synergy Karlovac d.o.o. (Note 36)	2,320,428	2,245,191
Receivable from Synergy Belisce d.o.o. (Note 36)	<u>2,292,836</u>	<u>2,217,523</u>

Apart from the above, the Group does not have significant risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related parties. Concentration of credit risk related to the above companies did not exceed 20% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the financial year.

Exposure to credit risk on cash deposits and liquid funds is monitored by directors. Cash held on deposit is with financial institutions in the Ba rating category of Moody's (2022: Ba). During the financial year ended 31 December 2023, the Group impaired the balance receivable from Shankley Biogas Limited, resulting in a loss of €2,883,057 (see Note 25). The directors are of the opinion that the likelihood of default by any other counter party leading to material loss is minimal. The reconciliation of loss allowance is included in Note 26.

#### *Liquidity risk*

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

The table below details the maturity of the Group's contracted liabilities as at 31 December 2023:

	Notes	Up to 1 year €	1 - 5 years €	After 5 years €	Total €
Trade and other payables	32	2,853,641	-	-	2,853,641
Borrowings	30	3,025,476	2,775,242	-	5,800,718

5,879,117	2,775,242	-	8,654,359
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The table below details the maturity of the Group's liabilities as at 31 December 2022:

	Notes	Up to 1 year €	1 - 5 years €	After 5 years €	Total €
Trade and other payables	32	6,264,404	-	-	6,264,404
Borrowings	30	5,180,902	1,131,513	-	6,312,415
		11,445,306	1,131,513	-	12,576,819

Refer to Notes 30 and 32 for the outstanding balance.

#### Interest rate risk

The primary source of the Group's interest rate risk relates to bank loans and other debt instruments while the Company's interest rate risk relates to debt instruments. The interest rates on these liabilities are disclosed in Note 30.

The Group's bank borrowings and other debt instruments (excluding amounts in the disposal group) amounted to €4,946,213 and €6,170,636 in 31 December 2023 and 31 December 2022, respectively. The Company's bank borrowings and debt instruments amounted to €4,700,234 and €6,070,674 in 31 December 2023 and 31 December 2022, respectively.

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

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

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

If interest rates have been 50 basis points higher/lower and all other variables were held constant, the Group's loss for the financial year ended 31 December 2023 would increase/decrease by €741 (2022: €Nil) with a corresponding decrease/increase in equity.

The Group's sensitivity to interest rates has increased as a result of obtaining a bank overdraft in the year.

#### Foreign exchange risk

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

#### Foreign exchange risk (continued)

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

	Liabilities		Assets	
	2023 €	2022 €	2023 €	2022 €
Sterling	5,498,875	10,475,339	2,453,921	6,559,389
US Dollar	44,938	29,463	2,301	2,076
Croatian Kuna	-	426,154	-	5,143,044

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

	Liabilities		Assets	
	2023 €	2022 €	2023 €	2022 €
Sterling	5,088,681	7,274,170	12,374,437	13,894,925
US Dollar	44,938	27,802	20,421	19,463

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

	Group		Company	
	2023 €	2022 €	31 Dec 2023 €	31 Dec 2022 €
Sterling Impact: Profit and loss/equity	307,571	395,550	735,935	668,763
US Dollar Impact: Profit & Loss/Equity	4,307	2,766	2,476	893
Croatian Kuna: Profit and loss/equity	-	476,454	-	-

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

#### Market risk

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

#### Price risk

The Group is exposed to equity price risk in respect of its investment in Metal NRG plc, which is listed on the London Stock Exchange (see Note 23). However, as the likelihood of the Group recovering this amount is considered remote, it was deemed prudent to provide fully for the investment in Metal NRG plc, thus eliminating further price risk.

### 6. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

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

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2022.

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

	31 Dec 2023	31 Dec 2022
	€	€
Borrowings	4,946,213	6,170,636
Lease liabilities	603,316	56,531
Cash and cash equivalents	(262,019)	(1,693,116)
Net debt	5,287,510	4,534,051
Equity attributable to the owners of the company	23,520,758	39,391,162
Net debt to equity ratio	22%	12%

### 7. SEGMENT INFORMATION

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

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

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

	2023	Segment Revenue	Segment Profit/(Loss)
	€	2022	2023
		€	€
Technology Sales	2,546,975	7,970,072	(1,629,462)
<b>Total from continuing operations</b>	<b>2,546,975</b>	<b>7,970,072</b>	<b>(1,629,462)</b>
Central administration costs and directors' salaries			(2,361,673)
Impairment costs			-
Other income			109,672
Other gains			431,962
Change in fair value of financial investments			(26,143)
Foreign currency (losses)/gains			(48,212)
Employee share-based compensation			-
Share of results from equity accounted investments			(23,603)
Gains from sales to equity accounted investments deferred			-
Loss arising from loss of control of subsidiaries			-
Impairment of equity-accounted investment			(2,619,234)
Impairment of other investments			(1,417,066)
Impairment of loans receivable from project development undertakings			(3,528,550)
Impairment of development assets			(4,603,546)
Impairment of goodwill			(5,283,459)
Impairment of trade and other receivables			(1,393,864)
Loss on disposal of tangible asset			-
Finance income			121,320
Finance costs			(1,486,020)
<b>Loss before taxation (continuing operations)</b>			<b>(23,757,878)</b>

Revenue reported above represents revenue generated from associated companies, jointly controlled entities, unconsolidated structured entities and external customers. Inter-segment sales for the financial year amounted to €Nil (2022: €Nil). Included in revenues in the Technology Sales Segment are revenues of €1,126,977 (2022: €4,860,015) which arose from sales to associate undertakings, joint ventures and unconsolidated structured entities of EQTEC plc. This represents 44% (2022: 61%) of total revenues in the financial year. A breakdown of the turnover by associated undertaking, joint venture and unconsolidated structured entity is set out in Note 36 Related Party Transactions.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit or loss represents the profit or loss earned by each segment without allocation of central administration costs and directors' salaries, other operating income, share of profit or loss of jointly controlled entities, profit on disposal of jointly controlled entities, interest costs, interest income and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Other segment information:

	Depreciation and amortisation		Additions to non-current assets	
	2023	2022	2023	2022
	€	€	€	€
Technology sales	113,376	130,084	502,696	83,241
Head Office	<u>192,872</u>	<u>233,751</u>	<u>217,574</u>	<u>-</u>
	<u>306,248</u>	<u>363,835</u>	<u>720,270</u>	<u>83,241</u>

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

	Revenue from Associates and External Customers		Non-current assets*	
	2023	2022	2023	2022
	€	€	€	€
Republic of Ireland	-	-	-	-
EU	2,256,621	5,128,979	2,607,493	2,392,776
United States of America	290,354	-	-	-
United Kingdom	<u>-</u>	<u>2,841,093</u>	<u>185,549</u>	<u>35,049</u>
	<u>2,546,975</u>	<u>7,970,072</u>	<u>2,793,042</u>	<u>2,427,825</u>

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

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

#### 8. REVENUE

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

	2023	2022
	€	€
Revenue from technology sales	1,469,589	4,768,964
Revenue from development fees	<u>1,077,386</u>	<u>3,201,108</u>
	<u>2,546,975</u>	<u>7,970,072</u>

#### 9. OTHER INCOME

	2023	2022
	€	€
Other income	<u>109,672</u>	<u>33,645</u>

#### 10. EMPLOYEE SHARE-BASED PAYMENTS

	2023	2022
	€	€
Expensed in the year	<u>-</u>	<u>340,257</u>

The share-based payment expense includes the cost of employee warrants and options granted and vested in the year (Note 28).

#### 11. FINANCE COSTS AND INCOME

	2023	2022
	€	€
<i>Finance Costs</i>		
Interest on loans, bank facilities and overdrafts	1,144,349	582,620
Fees on early redemption of loans	320,474	-
Interest expense for leasing arrangements	13,641	5,000
Other interest	<u>7,556</u>	<u>-</u>
	<u>1,486,020</u>	<u>1,998</u>
		<u>589,618</u>
<i>Finance Income</i>		
Interest receivable on loans advanced	119,726	279,839
Interest receivable on deferred consideration	-	36,966
Other interest receivable	<u>1,594</u>	<u>-</u>
	<u>121,320</u>	<u>316,805</u>

#### 12. OTHER GAINS

	2023	2022
	€	€
Gain on debt for equity swap	<u>431,962</u>	<u>10,088</u>

During the financial year the Group extinguished some of its financial liabilities by issuing equity instruments. In accordance with IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, the gain recognised on these transactions was €431,962 (2022: €10,088).

#### 13. EMPLOYEE DATA

	2023	2022
	€	€
The aggregate payroll costs of employees (including executive directors) in the Group were as follows:		
Salaries	2,495,084	2,375,349
Other employee benefits	504,500	512,600

Social insurance costs	504,769	543,682
Pension costs - defined contribution plans	61,998	64,317
Other compensation costs:		
Cost of share-based payments	-	340,257
Short term incentives	(547,575)	444,690
Private health insurance and other insurance costs	<u>54,555</u>	<u>58,897</u>
	<u>2,568,831</u>	<u>3,827,192</u>

	No.	No.
Average number of employees (including executive directors)	<u>28</u>	<u>27</u>

*Company*

Average number of employees (including executive directors)	<u>3</u>	3
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Capitalised employee costs in the financial year amounted to €Nil (2022 €Nil).

14. LOSS BEFORE TAXATION	2023	2022
	€	€
Loss before taxation on continuing operations is stated after charging/(crediting):		
Depreciation of property, plant and equipment (Note 18)	181,584	239,233
Amortisation of intangible assets (Note 19)	124,664	124,602
Movement in fair value of investments (Note 23)	26,143	326,501
Research and development	-	12,170
Losses/(gains) on foreign exchange	48,212	(156,835)
Directors' remuneration: for services as directors	110,442	112,860
(Note 34). for salaries as management	901,379	919,776
share-based payments	-	185,495
Impairment of development assets (Note 25)	<u>4,603,546</u>	<u>2,752</u>
	2023	2022
	€	€
<i>Auditor's remuneration:</i>		
Audit of Group accounts	100,000	93,000
Tax advisory services	<u>15,000</u>	<u>15,000</u>
	<u>115,000</u>	<u>108,000</u>

15. SIGNIFICANT AND NON-RECURRING TRANSACTIONS	2023	2022
	€	€
Impairment of investment (Note (a))	2,619,234	4,712,490
Impairment of other investments (Note (b))	1,417,066	-
Impairment on loans receivable from project development undertakings (Note (c))	3,528,550	-
Impairment of development assets (Note (d))	4,603,546	-
Impairment of goodwill (Note (e))	5,283,459	-
Impairment of trade and other receivables (Note (f))	1,393,864	-
Loss on disposal of tangible asset (Note (g))	<u>-</u>	<u>154,205</u>

- a) Please see note 21 for further details
- b) Please see notes 22 and 23 for further details
- c) Please see note 25 for further details
- d) Please see note 25 for further details
- e) Please see note 19 for further details
- f) Please see note 26 for further details
- g) This is a loss arising on the disposal of gasification equipment installed in the University of Lorraine for R&D purposes.

16. INCOME TAX	2023	2022
	€	€
Income tax expense comprises:		

Current tax expense	-	-
Deferred tax credit	-	-
Adjustment for prior financial years	<u>22,768</u>	<u>60,934</u>
	<u>22,768</u>	<u>60,934</u>
<b>Tax expense</b>		
	<b>2023</b>	<b>2022</b>
	€	€

Loss before taxation	<u>(23,485,924)</u>	<u>(10,464,181)</u>
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Applicable tax 12.50% (2022: 12.50%)	(2,935,741)	(1,308,023)
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Effects of:

Amortisation & depreciation in excess of capital allowances	38,281	45,479
Expenses not deductible for tax purposes	1,114,243	690,421
Losses carried forward	<u>1,783,217</u>	<u>572,123</u>
	-	-
Adjustment for prior financial years	<u>22,768</u>	<u>60,934</u>
<b>Actual tax expense</b>	<u>22,768</u>	<u>60,934</u>

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

<b>17. LOSS PER SHARE</b>	<b>2023</b>	<b>2022</b>
	<b>€ per share</b>	<b>€ per share (Restated)</b>
<b>Basic loss per share</b>		
From continuing operations	(0.208)	(0.117)
From discontinued operations	<u>0.002</u>	-
Total basic loss per share	<u>(0.206)</u>	<u>(0.117)</u>
<b>Diluted loss per share</b>		
From continuing operations	(0.208)	(0.117)
From discontinued operations	<u>0.002</u>	-
Total diluted loss per share	<u>(0.206)</u>	<u>(0.117)</u>

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

	<b>2023</b>	<b>2022</b>
	€	€
Loss for financial year attributable to equity holders of the parent	<u>(23,508,657)</u>	<u>(10,525,104)</u>
Profit/(loss) for the financial year from discontinued operations used in the calculation of basic earnings per share from discontinued operations	<u>271,954</u>	<u>(33,776)</u>
Losses used in the calculation of basic loss per share from continuing operations	<u>(23,780,611)</u>	<u>(10,491,328)</u>
	<b>No.</b>	<b>No. (Restated)</b>
Weighted average number of ordinary shares for the purposes of basic loss per share	<u>114,129,384</u>	<u>89,660,843</u>
Weighted average number of ordinary shares for the purposes of diluted loss per share	<u>114,129,384</u>	<u>89,660,843</u>

#### Dilutive and anti-dilutive potential ordinary shares

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

	<b>2023</b>	<b>2022</b>
		<b>(Restated)</b>
Share warrants in issue	27,339,399	4,598,810
Share options in issue	673,045	673,045
LTIP options in issue	2,116,938	1,488,109
Convertible loans	207,422,790	3,918,853

Details of share warrants and share options in issue outstanding at year-end are set out in Note 28.

#### Events after the year-end

As disclosed in Note 37, 12,802,031 shares were issued on 8 May 2024 in settlement of debt. If these shares were in issue prior to 31 December 2023, they would have affected the calculation of the weighted average number of shares in issue for the purposes of calculating both the basic and diluted loss per share by 1,066,836 (assuming the shares were issued in December 2023).

As disclosed in Note 37, 63,322,989 were issued in June 2024 as part of a share placing. If these shares were in issue prior to 31 December 2023, they would have affected the calculation of the weighted average number of shares in issue for the purposes of calculating both the basic and diluted loss per share by 5,276,916 (assuming the shares were issued in December 2023).

#### Retrospective Adjustments

The comparative earnings per share figures have been restated to reflect:

- (1) The disposal of a subsidiary in 2023, leading to a restatement of comparative figures to reflect discontinued operations (see Notes 34 and 35); and
- (2) The capital reorganisation that took place in the current financial year, leading to a decrease in the number of ordinary shares outstanding (see Note 28).

### 18. PROPERTY, PLANT AND EQUIPMENT

Group	Right of Use Assets €	Office equipment €	Construction in Progress €	Total €
<b>Cost</b>				
At 1 January 2022	579,316	63,342	192,757	835,415
Additions	4,042	29,199	50,000	83,241
Disposals	-	-	(192,757)	(192,757)
Exchange differences	(11,420)	-	-	(11,420)
At 31 December 2022	571,938	92,541	50,000	714,479
Additions	706,705	6,265	-	712,970
Disposal of subsidiary	-	-	(50,000)	(50,000)
De-recognition of assets	(575,620)	-	-	(575,620)
Exchange differences	4,365	-	-	4,365
At 31 December 2023	<u>707,388</u>	<u>98,806</u>	<u>-</u>	<u>806,194</u>
<b>Accumulated depreciation</b>				
At 1 January 2022	325,212	63,342	-	388,554
Charge for the financial year	197,016	3,666	38,551	239,233
Charge on disposal	-	-	(38,551)	(38,551)
Exchange differences	(7,810)	-	-	(7,810)
At 31 December 2022	514,418	67,008	-	581,426
Charge for the financial year	168,187	13,397	-	181,584
De-recognition of assets	(575,620)	-	-	(575,620)
Exchange differences	3,170	-	-	3,170
At 31 December 2023	<u>110,155</u>	<u>80,405</u>	<u>-</u>	<u>190,560</u>
<b>Carrying amount</b>				
At 31 December 2022	<u>57,520</u>	<u>25,533</u>	<u>50,000</u>	<u>133,053</u>
At 31 December 2023	<u>597,233</u>	<u>18,401</u>	<u>-</u>	<u>615,634</u>

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

	2023 €	2022 €
Leasehold buildings	<u>597,233</u>	<u>57,520</u>

	Office Equipment €	Total €
<b>Company</b>		
<b>Cost</b>		
At 1 January 2022, at 31 December 2022 and at 31 December 2023	<u>1,233</u>	<u>1,233</u>

#### Accumulated depreciation

At 1 January 2022, at 31 December 2022 and at 31 December 2023	<u>1,233</u>	<u>1,233</u>
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#### Carrying amount

At 1 January 2023	<u>-</u>	<u>-</u>
At 31 December 2023	<u>-</u>	<u>-</u>

### 19. INTANGIBLE

<b>ASSETS Group</b>	<b>Goodwill</b>	<b>Other intangibles</b>	<b>Patents</b>	<b>Total</b>
<i>Cost</i>	€	€	€	€
As at 1 January 2022	16,710,497	-	-	16,710,497
Additions, separately acquired	-	-	<u>2,492,059</u>	<u>2,492,059</u>
As at 31 December 2022	16,710,497	-	2,492,059	19,202,556
Additions, separately acquired	-	<u>7,300</u>	-	<u>7,300</u>
As at 31 December 2023	<u>16,710,497</u>	<u>7,300</u>	<u>2,492,059</u>	<u>19,209,856</u>
<i>Amortisation and Impairment</i>				
As at 1 January 2022	1,427,038	-	72,685	1,499,723
Amortisation	-	-	<u>124,602</u>	<u>124,602</u>
As at 31 December 2022	1,427,038	-	197,287	1,624,325
Amortisation	-	61	<u>124,603</u>	<u>124,664</u>
Impairment	<u>5,283,459</u>	-	-	<u>5,283,459</u>
As at 31 December 2023	<u>6,710,497</u>	<u>61</u>	<u>321,890</u>	<u>7,032,448</u>
<i>Carrying value</i>				
As at 31 December 2022	<u>15,283,459</u>	-	<u>2,294,772</u>	<u>17,578,231</u>
As at 31 December 2023	<u>10,000,000</u>	<u>7,239</u>	<u>2,170,169</u>	<u>12,177,408</u>

<b>Company</b>	<b>Patents</b>	<b>Total</b>
<i>Cost</i>	€	€
As at 1 January 2022	-	-
Additions	<u>2,492,059</u>	<u>2,492,059</u>
As at 31 December 2022 and as at 31 December 2023	<u>2,492,059</u>	<u>2,492,059</u>
<i>Amortisation and Impairment</i>		
As at 1 January 2022	72,685	72,685
Amortisation	<u>124,602</u>	<u>124,602</u>
As at 31 December 2022	197,287	197,287
Amortisation	<u>124,603</u>	<u>124,603</u>
As at 31 December 2023	<u>321,890</u>	<u>321,890</u>
<i>Carrying value</i>		
As at 31 December 2022	<u>2,294,772</u>	<u>2,294,772</u>
As at 31 December 2023	<u>2,170,169</u>	<u>2,170,169</u>

#### Patents

During the year ended 31 December 2021, the Group acquired patents from a company controlled by one of the directors. Patent are amortised over their estimated useful lives, which is on average 20 years. The average remaining amortisation period for these patents is 17.4 years (2022: 18.4 years).

#### Goodwill

##### Cash-generating units

Goodwill acquired in business combinations is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets. The CGUs represent the lowest level within the Group at which the associated goodwill is assessed for internal management purposes and are not larger than the operating segments determined in accordance with IFRS 8 *Operating Segments*. A total of 1 CGUs (2022: 1) have been identified and these are all associated with the Technology Sales Segment. The carrying value of the goodwill within the Technology Sales Segment is €10,000,000 (2022: €15,283,459).

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

	<b>2023</b>	<b>2022</b>
	€	€
Eqtec Iberia SLU	<u>10,000,000</u>	<u>15,283,459</u>

For the purpose of impairment testing, the discount rates applied to this CGU to which significant amounts of goodwill have been allocated was 12.39% (2022: 11.78%) for the Eqtec Iberia CGU.

##### Annual test for impairment

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

The recoverable amount of the CGU (2023: €10,000,000; 2022: €15,283,459) is determined from value-in-use calculations. The forecasts used in these calculations are based on a financial plan approved by the Board of Directors, plus 5-year projections forecasted by management, and specifically excludes any future acquisition activity.

The value in use calculation represents the present value of the future cash flows, including the terminal value, discounted at a rate appropriate to each CGU. The real pre-tax discount rates used is 12.39% (2022: 11.78%). These rates are based on the Group's estimated weighted average cost of capital, adjusted for risk, and are consistent with external sources of information.

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



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

- Revenues being risk adjusted between 30% to 80% based on the project specific probabilities.
- Reduction in gross margin to 11%
- 5% increase in discount rate
- Zero percentage long term growth rate (year 6 onwards)

All of these sensitivity analysis resulted in an impairment loss of €5,283,459 (2022: €Nil) calculated for the financial year ended 31 December 2023.

## 20. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

COMPANY	2023	2022
Investment in subsidiary undertakings	€	€
At beginning of financial year	19,729,486	17,994,504
Contribution to capital in Eqtec Iberia	1,000,000	1,550,000
Impairment of investment in subsidiaries	(15,783,854)	-
Foreign currency movement	2,904	(3,864)
Share options and awards	-	188,846
At end of financial year	4,948,536	19,729,486

The share options and awards addition reflect the cost of share-based payments attributable to employees of subsidiary undertakings, which are treated as capital contributions by the Company.

Details of EQTEC plc subsidiaries at 31 December 2023 are as follows:

Name	Country of Incorporation	Shareholding	Registered Office	Principal activity
Eqtec Iberia SLU	Spain	100%	5	Provision of technical engineering services
EQTEC Holdings Limited	Republic of Ireland	100%	1	Development of building projects
EQTEC UK Services Limited	United Kingdom	100%	2	Development of building projects
Haverton WTV Limited	United Kingdom	100%	2	Waste-to-energy developer
Deeside WTV Limited	United Kingdom	100%	2	Waste-to-energy developer
Southport WTV Limited	United Kingdom	100%	2	Waste-to-energy developer
EQTEC Southport H2 MDC Limited	United Kingdom	100%	2	Waste-to-energy developer
Newry Biomass No. 1 Limited	Republic of Ireland	100%	1	Dormant company
React Biomass Limited	Republic of Ireland	100%	1	Dormant company
Reforce Energy Limited	Republic of Ireland	100%	1	Dormant company
Grass Door Limited	United Kingdom	100%	3	Dormant company
Newry Biomass Limited	Northern Ireland	50.02%	4	Dormant company
Enfield Biomass Limited	United Kingdom	100%	3	Dormant company
Moneygorm Wind Turbine Limited	Republic of Ireland	100%	1	Dormant company
Eqtec No. 1 Limited	Republic of Ireland	100%	1	Dormant company
Eqtec Strategic Project Finance Limited	United Kingdom	100%	3	Dormant company
Clay Cross Biomass Limited	United Kingdom	100%	3	Dormant company
Altlow Wind Turbine Limited	Republic of Ireland	100%	1	Dormant company
Synergy Projects d.o.o.	Croatia	100%	6	Waste-to-energy developer
EQTEC France SAS	France	100%	7	Waste-to-energy developer

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

### Key to registered offices:

1. Building 1000, City Gate, Mahon, Cork T12 W7CV, Ireland.

2. Acre House, 11/15 William Road, London NW1 3ER, England.
3. Labs Triangle, Camden Lock Market, Chalk Farm Road, London NW1 8AB, England.
4. 68 Cloughanramer Road, Carnmeen, Newry, Co. Down BT34 1QG, Northern Ireland.
5. Rosa Sensat n° 9-11 Planta 5ª, 08005 Barcelona, Spain.
6. Zagorska 31, HR-10000 Zagreb, Croatia.
7. 28 Cours Albert 1er, 75008 Paris, France.

During the year, the Group disposed of its investment in Grande-Combe SAS. Details of this disposal are set out in Note 34.

Subsequent to the financial year-end, three dormant subsidiaries (Enfield Biomass Limited, Clay Cross Biomass Limited and EQTEC Strategic Project Finance Limited) were voluntarily struck off the Company Register.

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

Name of Subsidiary	Principal place of business and place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(loss) allocated to non-controlling interests for the financial year
		<u>2023</u>	<u>2022</u>	<u>2023</u>
		<u>%</u>	<u>%</u>	<u>€</u>
Newry Biomass Limited	Northern Ireland	49.98	49.98	(32)
Individually immaterial subsidiaries with non-controlling interests		0.00	0.00	—
<b>Total</b>				<b>(32)</b>

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

No dividends were paid to the non-controlling interests during the years ended 31 December 2023 and 2022.

#### Interests in unconsolidated structured entities

The Group had the following interest in unconsolidated structured entities in 2023:

Name	Country of Incorporation	Shareholding	Registered Office	Principal activity
Biogaz Gardanne SAS France.	France	100%	28 Cours Albert 1er, 75008 Paris,	Vehicle to fulfil energy requirements

Biogaz Gardannes SAS was set up in 2023 was set up as an easily transferable legal entity (SPV) to hold all assets associated with a project initiated and wholly support by the national government of France. Biogaz Gardanne was created to fulfil a narrow specific purpose which was to fulfil the objectives of the French government. EQTEC has had and continues to have no control over defining or changing those objectives. All relevant decisions regarding scope of activity, investor rights and right of returns are controlled by the French government, not EQTEC, and on that basis, EQTEC does not have control over Biogaz Gardanne SAS under IFRS 10 and is therefore not consolidated in these accounts. Details of the investment are included in Note 2

## 21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

GROUP

2023

2022

	2023	2022
	€	€
Investment in associate undertakings (a)	3,474,359	4,263,604
Investment in joint ventures (b)	<u>3,358,029</u>	<u>3,355,910</u>
	<u>6,832,388</u>	<u>7,619,514</u>
<b>COMPANY</b>		
Investment in associate undertakings (a)	—	<u>2,728,959</u>
<b>a) Investment in associate undertakings</b>		
<b>GROUP</b>		
At beginning of financial year	4,263,604	6,951,064
Impairment of investment in North Fork Community Power LLC (Note 15)	(2,619,234)	-
Derecognition of investment arising from Chapter 11 (Note 15)	-	(4,677,590)
Investment in shares	29,780	6,790
Acquisition of increased share in associate	856,967	-
Loans advanced to associate undertakings	334,750	528,085
Loans repaid from associate undertakings	(32,000)	-
Receivables converted into loans to associate undertakings	554,067	1,161,000
Payables reclassified	279,000	-
Derecognition of loans	(252,500)	-
Interest accrued on loans to associate undertakings	71,562	196,188
Share of loss of associate undertakings	(12,577)	(31,626)
Adjustment in respect of unrealised sales from the Group	-	(907)
Exchange differences	<u>940</u>	<u>130,600</u>
<b>At end of financial year</b>	<b><u>3,474,359</u></b>	<b><u>4,263,604</u></b>
<i>Made up as follows:</i>		
Investment in shares in associate undertakings	783,801	2,777,249
Loans advanced to associate undertakings	2,747,141	1,656,573
Less: Losses recognised under the equity method	<u>(56,583)</u>	<u>(170,218)</u>
	<u>3,474,359</u>	<u>4,263,604</u>

#### Investment in associate undertakings

Details of the Group's interests in associated undertakings at 31 December 2023 is as follows:

Name of associate undertaking	Country of Incorporation	Shareholding		Principal Activity
		2023	2022	
North Fork Community Power LLC	United States of America	28.52%	49%	Operator of biomass gasification power project
EQTEC Italia MDC srl	Italy	49.27%	19.99%	Operator of biomass gasification power project

On 6 November 2023, it was announced that, to fund performance improvements in the project, EQTEC Italia MDC SRL raised funds through a combination of shareholder loans and equity from the Group and one of the other investors, resulting in a change to relative ownership of the SPV. The Group's share increased from 19.99% to 38.30% as a result of this increase in equity. On 20 November 2023, it was announced that the Group had agreed to purchase all of another investor's participation (equity and debt) in EQTEC Italia MDC srl which was settled through the issue of shares in the Group to the value of £800,000. As a result of this transaction, the Group's share of ownership in EQTEC Italia MDC srl increased to 49.27%.

On 12 October 2022, it was announced that North Fork Community Power, LLC ("NFCP") has entered into an agreement for a financial restructuring with the project lenders ("Lenders"), for the provision of a standby facility, in the amount of USD 4.3 million, towards full funding of the project up to the commercial operations date ("COD") of a plant, with EQTEC technology at its core, in North Fork California, USA (the "Plant"). The third-party funding has been agreed as part of a pre-negotiated petition filed by NFCP for relief under Chapter 11 of the US Bankruptcy Code, following alignment between NFCP managing members, including the Company, with the Lenders. As part of the agreed terms, it was specified that the Group will remain as an equity shareholder in NFCP with the final shareholding being determined during the legal process post 31 December 2023 as 28.52%. However, arising from this, it was determined that the Group is no longer in control of how the North Fork project progresses, as this now rests with the lender bondholders. As a result, the Group deems it prudent to fully impair its investment in North Fork.

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

	2023			2022		
	North Fork	EQTEC Italia	Total	North Fork	EQTEC Italia	Total
	€	€	€	€	€	€
Non-current assets	1,691,299	6,962,172	8,653,471	1,738,412	5,687,496	7,425,908
Current assets	35,171,261	609,671	35,780,932	27,869,071	141,018	28,010,089
Non-current liabilities	(19,647,815)	(5,243,088)	(24,890,903)	(25,064,040)	(4,875,541)	(29,939,581)
Current liabilities	<u>(14,873,565)</u>	<u>(991,939)</u>	<u>(15,865,504)</u>	<u>90,586</u>	<u>(869,152)</u>	<u>(778,566)</u>
Net Assets	<u>2,341,180</u>	<u>1,336,816</u>	<u>3,677,996</u>	<u>4,634,029</u>	<u>83,821</u>	<u>4,717,850</u>
<b>Reconciliation to consolidated account</b>						

<i>carrying amount</i>						
Group's share of net assets	667,704	658,649	1,326,353	2,270,674	16,743	2,287,417
Carrying value of loan to associate	-	2,747,141	2,747,141	-	1,656,573	1,656,573
Adjustment in respect of unrealised profits on sales from the Group	(78,846)	(23,358)	(102,204)	(78,846)	(23,358)	(102,204)
Adjustment arising from Chapter 11	(1,948,631)	-	(1,948,631)	(1,948,631)	-	(1,948,631)
Exchange differences	140,612	-	140,612	(1,467,946)	-	(1,467,946)
Goodwill	3,838,395	91,927	3,930,322	3,838,395	-	3,838,395
Impairment of asset	(2,619,234)	-	(2,619,234)	-	-	-
					=	

<b>Carrying amount</b>	<b>-</b>	<b><u>3,474,359</u></b>	<b><u>3,474,359</u></b>	<b><u>2,613,646</u></b>	<b><u>1,649,958</u></b>	<b><u>4,263,604</u></b>
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***Summarised income statement***

Revenue	-	<u>4,615</u>	<u>4,615</u>	<u>6,105</u>	-	<u>6,105</u>
(Loss)/Profit after tax for period	17,718	(72,009)	(54,291)	(73,613)	12,937	(60,676)
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b><u>17,718</u></b>	<b><u>(72,009)</u></b>	<b><u>(54,291)</u></b>	<b><u>(73,613)</u></b>	<b><u>12,937</u></b>	<b><u>(60,676)</u></b>

***Reconciliation to Group's share of total comprehensive income***

Group's share of total comprehensive income	<u>4,673</u>	<u>(17,250)</u>	<u>(12,577)</u>	<u>(34,216)</u>	<u>2,590</u>	<u>(31,626)</u>
<b>Group's share of total comprehensive income</b>	<b><u>4,673</u></b>	<b><u>(17,250)</u></b>	<b><u>(12,577)</u></b>	<b><u>(34,216)</u></b>	<b><u>2,590</u></b>	<b><u>(31,626)</u></b>

**COMPANY**

**2023**

**2022**

	<b>€</b>	<b>€</b>
At beginning of financial year	2,728,959	6,569,432
Impairment of investment	(2,728,959)	-
Derecognition of investment arising from Chapter 11	-	(4,677,590)
Loans advanced to associate undertakings	-	528,085
Interest accrued on loans to associate undertakings	-	177,069
Exchange differences	-	<u>131,963</u>
At end of financial year	-	<u>2,728,959</u>

*Made up as follows:*

Investment in shares in associate undertakings	-	<u>2,728,959</u>
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**b) *Investment in joint ventures***

**GROUP**

The Group's interests in joint ventures at the end of the reporting period is as follows

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Synergy Belisce d.o.o.	2,174,542	2,171,174
Synergy Karlovac d.o.o.	1,095,061	1,091,612
Eqtec Synergy Projects Limited	<u>88,425</u>	<u>93,124</u>
Interests in joint ventures	<u>3,358,028</u>	<u>3,355,910</u>

Details of the Group's interests in joint ventures is as follows:

Name of joint venture	County of Incorporation	Shareholding		Principal Activity
		2023	2022	
Synergy Belisce d.o.o.	Croatia	49%	49%	Operator of biomass gasification power project
Synergy Belisce d.o.o.	Croatia	49%	49%	Operator of biomass gasification power project
Eqtec Synergy Projects Limited	Cyprus	50.1%	50.1%	Operator of biomass gasification power project
Synergy Projects Aegean Energy Production and Distribution Society SA	Greece	50.1%	50.1%	Holding company
Synergy Drama Single Member PC	Greece	50.1%	50.1%	Operator of biomass gasification power project
Synergy Livadia Single Member PC	Greece	50.1%	50.1%	Operator of biomass gasification power project

The purpose of the joint ventures is to act as go-to-market entities, in partnership with the local partners, to actively seek business development and project development in the territory. The joint ventures have share capital, consisting solely of ordinary shares. Decisions about the relevant activities of the joint ventures require unanimous consent of the Group and the respective joint venture

partners.

- a) Synergy Belisce d.o.o. was set up in April 2021 as a 100% subsidiary of Synergy Projects d.o.o., a 100% subsidiary of the Group. On 26 November 2021, the Group's Croatian project development partner, Sense ESCO d.o.o. subscribed for additional shares in Synergy Belisce d.o.o. which resulted in the Group owning 49% of the equity of the joint venture. Synergy Belisce d.o.o. has acquired a 1.2 MWe waste-to-energy gasification plant in Belisce, Croatia which had been built in 2016 around EQTEC's proprietary and patented Advanced Gasification Technology. The plant is expected to be reconfigured as an industrial waste processing facility, recommissioned and repowered for operations once final round of funding has been completed (expected Q4 2024).
- b) Synergy Karlovac d.o.o. was set up in April 2021 as a 100% subsidiary of Synergy Projects d.o.o., a 100% subsidiary of the Group. On 26 November 2021, the Group's Croatian project development partner, Sense ESCO d.o.o. subscribed for additional shares in Synergy Karlovac d.o.o. which resulted in the Group owning 49% of the equity of the joint venture. Synergy Karlovac d.o.o. has acquired a 3 MWe waste-to-energy gasification plant in Karlovac, Croatia which originally employed an early gasification technology from a third party. The plant was not able to achieve the designed operational availability and had to be closed. The Group's intention is to redesign and reconfigure the Plant to incorporate the patented, proprietary EQTEC Advanced Gasification Technology at the centre. When subsequently commissioned, it will transform locally sourced wood chips and forestry wood waste from regional forests into green electricity for use by the local community. The plant is expected to be updated, recommissioned and repowered for operations once funding is agreed.
- c) Eqttec Synergy Projects Limited was set up in 2020 in partnership with its Greek strategic partners, ewerGy GmbH. The Group owns 50.1% of the equity of the joint venture. Eqttec Synergy Projects Limited owns 100% of Synergy Projects Aegean Energy Production and Distribution Society SA, and this company holds 100% of the shares in two further companies, which are special purpose vehicles for projects (Project SPV): Synergy Drama Single Member PC and Synergy Livadia Single Member PC. The objective of these two companies is the development of biomass-to-energy plants, generating green electricity from locally and sustainably sourced forestry waste.

In line with the agreed Company strategy to minimise or eliminate development activities across the Group, it has progressed discussions and has reached agreement, subject to final legal documentation, with its joint venture partners in Croatia and Greece to restructure its ownership and financial arrangements in relation to the joint venture entities. In line with its stated objective to move away from development activities the Group will seek to reduce its equity stake to below 20% in each joint venture and to restructure its loans and receivables due to facilitate early repayment.

The movement in the investment in joint ventures is as follows:

	2023	2022
	€	€
At the beginning of the year	3,355,910	1,123,120
Impairment of fair value of joint venture	-	(489)
Loans advanced to joint ventures	15,700	2,324,614
Loans repaid by joint ventures	(3,700)	(40,018)
Share of loss after tax	(11,025)	(20,433)
Unrealised profits on sales to joint ventures	-	(27,470)
Exchange differences	1,144	(3,414)
Interests in joint ventures	<u>3,358,029</u>	<u>3,355,910</u>

Made up as follows:

Investment in shares in joint ventures	-	-
Loans advanced to associate ventures	3,531,128	3,517,979
Less: Losses recognised under the equity method	<u>(173,099)</u>	<u>(162,069)</u>
	<u>3,358,029</u>	<u>3,355,910</u>

Summarised financial information for joint ventures accounted for using the equity method

Set out below is the summarised financial information for the Group's joint ventures which are accounted for using the equity method. The information below reflects the amounts presented in the financial statements of the joint ventures reconciled to the carrying value of the Group's investments in joint ventures.

	2023				2022			
	Synergy Belisce d.o.o.	Synergy Karlovac d.o.o.	Eqttec Synergy Projects Limited Group	Total	Synergy Belisce d.o.o.	Synergy Karlovac d.o.o.	Eqttec Synergy Projects Limited Group	Total
	€	€	€	€	€	€	€	€
<b>2023</b>								
<b>Summarised balance sheet (100%)</b>								
Non-current assets	<u>4,279,612</u>	<u>3,236,785</u>	<u>-</u>	<u>7,516,397</u>	<u>4,278,173</u>	<u>3,235,696</u>	<u>-</u>	<u>7,513,869</u>
<b>Current assets</b>								
Cash and Cash equivalents	103	655	296	1,054	124	580	424	1,128
Other current assets	<u>188,366</u>	<u>169,685</u>	<u>203,023</u>	<u>561,074</u>	<u>187,340</u>	<u>168,592</u>	<u>203,022</u>	<u>558,954</u>
	<u>188,469</u>	<u>170,340</u>	<u>203,319</u>	<u>562,128</u>	<u>187,464</u>	<u>169,172</u>	<u>203,446</u>	<u>560,082</u>
Non-current liabilities	-	-	-	-	-	-	-	-
<b>Current liabilities</b>								
Bank overdrafts and loans	2,256,237	1,182,134	100,000	3,538,371	2,250,880	1,174,339	100,000	3,525,219
Other current liabilities	<u>2,213,242</u>	<u>2,263,141</u>	<u>126,423</u>	<u>4,602,806</u>	<u>2,212,103</u>	<u>2,259,812</u>	<u>117,521</u>	<u>4,589,436</u>
	<u>4,469,479</u>	<u>3,445,275</u>	<u>226,423</u>	<u>8,141,177</u>	<u>4,462,983</u>	<u>3,434,151</u>	<u>217,521</u>	<u>8,114,655</u>
<b>Net (liabilities)/assets (100%)</b>	<u>(1,398)</u>	<u>(38,150)</u>	<u>(23,104)</u>	<u>(62,652)</u>	<u>2,654</u>	<u>(29,283)</u>	<u>(14,075)</u>	<u>(40,704)</u>
Reconciliation to carrying amount:								
Group's share of net assets/(liabilities)	(685)	(18,693)	(11,575)	(30,953)	1,300	(14,349)	(6,876)	(19,925)
Carrying value of loans to joint ventures	2,252,722	1,178,406	100,000	3,531,128	2,247,366	1,170,613	100,000	3,517,979
Unrealised gains on sales to joint ventures	(72,655)	(64,997)	-	(137,652)	(72,655)	(64,997)	-	(137,652)
Exchange differences	(4,839)	345	-	(4,494)	(4,348)	345	-	(4,003)
Adjustment arising on loss of					<u>(489)</u>	<u>-</u>	<u>-</u>	<u>(489)</u>

control in period	=	=	=	=				
Carrying amount	<u>2,174,543</u>	<u>1,095,061</u>	<u>88,425</u>	<u>3,358,029</u>	<u>2,171,174</u>	<u>1,091,612</u>	<u>93,124</u>	<u>3,355,910</u>

	2023				2022			
	Synergy Belisce d.o.o. €	Synergy Karlovac d.o.o. €	Eqtec Synergy Projects Limited Group €	Total €	Synergy Belisce d.o.o. €	Synergy Karlovac d.o.o. €	Eqtec Synergy Projects Limited Group €	Total €
<b>Summarised income statement (100%)</b>								
Revenue	—	<u>13,737</u>	—	<u>13,737</u>	—	—	—	—
Depreciation	—	—	—	—	—	—	—	—
Amortisation	—	—	—	—	—	—	—	—
Interest expenses	<u>3</u>	<u>77</u>	—	<u>80</u>	—	<u>23</u>	—	<u>23</u>
Taxation	—	—	—	—	—	—	—	—
Loss after tax	<u>(4,053)</u>	<u>(8,857)</u>	<u>(9,380)</u>	<u>(22,290)</u>	<u>(6,584)</u>	<u>(27,167)</u>	<u>(7,776)</u>	<u>(41,527)</u>
Other comprehensive income	—	—	—	—	—	—	—	—
<b>Total comprehensive loss</b>	<u>(4,053)</u>	<u>(8,857)</u>	<u>(9,380)</u>	<u>(22,290)</u>	<u>(6,584)</u>	<u>(27,167)</u>	<u>(7,776)</u>	<u>(41,527)</u>
<b>Reconciliation to Group's share of total comprehensive income</b>								
Group's share of total comprehensive loss	<u>(1,986)</u>	<u>(4,340)</u>	<u>(4,699)</u>	<u>(11,025)</u>	<u>(3,226)</u>	<u>(13,312)</u>	<u>(3,896)</u>	<u>(20,434)</u>
<b>Group's share of total comprehensive loss</b>	<u>(1,986)</u>	<u>(4,340)</u>	<u>(4,699)</u>	<u>(11,025)</u>	<u>(3,226)</u>	<u>(13,312)</u>	<u>(3,896)</u>	<u>(20,434)</u>

## 22. FINANCIAL ASSETS

### GROUP

	2023 €	2022 €
<b>Investment in related undertakings</b>		
At beginning of the financial year	3,728,434	4,050,030
Derecognition of investment in Logik WTE Limited	(3,805,636)	—
Derecognition of investment in Shankley Biogas Limited	—	(113,644)
Exchange differences	<u>77,202</u>	<u>(207,952)</u>
At end of the financial year	<u>—</u>	<u>3,728,434</u>

#### Investment in Logik WTE Limited

On 8 December 2020, EQTEC announced that EQTEC's wholly owned subsidiary, Deeside WTV Limited ("Deeside"), had signed a Share Purchase Agreement (the "SPA") with Logik Developments Limited ("Logik") to acquire full ownership of the Deeside Refuse Derived Fuel ("RDF") project (the "Project") from Logik through the acquisition of Logik WTE Limited ("Logik WTE").

On 20 September 2023, EQTEC announced that it had issued a claim against Logik and Logik WTE in connection with payments made by the Group and due to the Group in relation to the Project, and for breach of the SPA between Logik and Deeside. Consequently, the Group has decided to de-recognise the investment in Logik WTE, with a corresponding derecognition of the associated liability. (€2,537,091 - see Note 32)

#### Investment in Shankley Biogas Limited

On 27 September 2021, EQTEC announced that EQTEC's wholly owned subsidiary, Southport WTV Limited ("Southport"), had signed a Share Purchase Agreement ("SPA - Southport") with Rotunda Group Limited ("Rotunda") to acquire full ownership of the Southport Hybrid Energy Park project ("Southport Project") from Rotunda through the acquisition of Shankley Biogas Limited ("Shankley").

On 21 September 2022, the Company announced that it had entered into agreements for the cancellation of the SPA-Southport. Any investments costs previously recognised has now been de-recognised (€113,644) and included in the costs associated with development fee services charged to Shankley amounting to €2,841,093.

## 23. OTHER FINANCIAL INVESTMENTS

	2023 €	2022 €
<b>Group:</b>		
<i>Financial investments at amortised cost</i>		
Investment in unconsolidated subsidiary (Biogaz Gardanne SAS)	1,000	—
Investment in previously consolidated company Grande Combe SAS	50	—
Convertible loan note in Metal NRGplc	115,322	112,983
Less: Provision against convertible loan note	(115,322)	—
Bonds and Debentures	402,644	402,644
Less: Provision against investment in Bonds	(402,644)	(402,644)
Other investments	22,915	17,250
Less: Provisions against other investments	<u>(17,250)</u>	<u>(17,250)</u>
	<u>6,715</u>	<u>112,983</u>
<i>Financial investments at fair value through profit or loss (FVTPL)</i>		
Investment in Metal NRGplc	33,199	58,203
Less: Provision against investment in Metal NRGplc	<u>(33,199)</u>	<u>—</u>
	<u>—</u>	<u>58,203</u>

Total	<u>6,715</u>	<u>171,186</u>
<b>Company</b>		
<i>Financial investments at amortised cost</i>		
Convertible loan note in Metal NRG plc	115,322	112,983
Less: Provision against convertible loan note	<u>(115,322)</u>	<u>-</u>
	<u>-</u>	<u>112,983</u>
<i>Financial investments at fair value through profit or loss (FVTPL)</i>		
Investment in Metal NRG plc	33,199	58,203
Less: Provision against investment in Metal NRG plc	<u>(33,199)</u>	<u>-</u>
	<u>-</u>	<u>58,203</u>
Total	<u>-</u>	<u>171,186</u>

Financial assets at FVTPL include the equity investment in Metal NRG plc ("MRNG") which was financed through the exchange of shares in the Company. The Group and the Company accounts for the investment in MRNG at FVTPL and did not make the irrevocable election to account for it at FVOCI.

As at 31 December 2023, the fair value of the Group's interest in Metal NRG plc, which is listed on the London Stock Exchange, was €33,199 (2022: €58,203) based on the quoted market price available on the London Stock Exchange, which is a Level 1 input in terms of IFRS 13. However, as the likelihood of the Group recovering this amount is considered remote, it was deemed prudent to provide fully for both the investment and the convertible loan note in Metal NRG plc.

Movement in other financial investments was as follows:

	<b>2023</b>	<b>2022</b>
	€	€
At beginning of financial year	171,186	506,976
Acquisition of unconsolidated subsidiary	1,000	-
Acquisition of other investments	5,665	-
Investment in previously recognised subsidiary	50	-
Movement in fair value	(26,143)	(326,501)
Exchange differences	3,478	(9,289)
Provision against investments in Metal NRG plc	<u>(148,521)</u>	<u>-</u>
	<u>-</u>	<u>-</u>
At end of financial year	<u>6,715</u>	<u>171,186</u>

#### 24. DEFERRED TAXATION

A deferred tax asset has not been recognised at the consolidated statement of financial position date in respect of trading tax losses arising from the Irish and UK subsidiaries. Due to the history of past losses, the Group has not recognised any deferred tax asset in respect of tax losses to be carried forward which are approximately €43.9 million at 31 December 2023 (2022: €29.3 million).

#### 25. DEVELOPMENT ASSETS

	<b>2023</b>	<b>2022</b>
	€	€
<b>Group</b>		
Costs associated with project development undertakings	<u>613,516</u>	<u>6,033,543</u>
Loan receivable from project development undertakings		
Convertible loans	2,883,057	2,824,572
Other loans	2,711,592	2,621,515
Less: Loss Allowance	<u>(3,528,550)</u>	<u>-</u>
	<u>2,066,099</u>	<u>5,446,087</u>

The Group invests capital in assisting in the development of waste to value projects which can deploy its technology and expertise and make a profit from the realisation of the development costs at the financial close, when project financing is in place so that the project undertaking can commence construction. Cost comprises direct materials and overheads that have been incurred in furthering the development of a project towards financial close. For the financial year ended 31 December 2023, €212,280 (2022: €2,160,694) of development assets was included in consolidated statement of profit or loss as an expense and €4,603,546 (2022: €2,752) was impaired resulting from write down of development assets. The impairment arose via the suspension of the Billingham and Deeside projects.

Included in loans receivable from project development undertakings is an amount of €Nil (2022: €450,000) which is receivable, along with accrued interest, 18 months from the date of drawdown. Interest is charged at 15% per annum. During the financial year, the company has determined it is unlikely to recover the value of the loan from the borrower and has impaired the value of the loan in full, incurring an impairment cost of €645,493 (2022: €Nil).

Included in loans receivable is an amount of £Nil (2022: £2,500,000) arising from development service fees to Shankley Biogas Limited which has been converted into a convertible loan note secured by a fixed and floating charge on the assets and business of Shankley Biogas Limited. The loan note, which is interest-free, is due to be paid to the company following sale of, or investment into Shankley Biogas Limited by any third party. During the financial year, the Company has determined it is unlikely to recover the value of the loan and have impaired the value of the loan in full, incurring an impairment cost of €2,883,057 (2022: €Nil).

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

<b>Company</b>		
Costs associated with project development	<u>88,129</u>	<u>1,258,191</u>
Loan receivable from project development undertakings		
Convertible loans	2,883,057	2,824,572
Other loans	645,493	597,329
Less: Loss Allowance	<u>(3,528,550)</u>	<u>-</u>
	<u>-</u>	<u>3,421,901</u>

## 26. TRADE AND OTHER RECEIVABLES

	2023	2022
<i>Group</i>	€	€
Trade receivables gross	7,268,720	5,961,004
Allowance for credit losses	<u>(875,687)</u>	<u>(475,687)</u>
Trade receivables net	6,393,033	5,485,317
VAT receivable	166,134	257,288
Advances to related undertakings	60,000	60,000
Allowance for credit losses on advances to related undertakings	(60,000)	(60,000)
Prepayments	295,780	149,786
Amounts receivable from associate companies	31,482	29,477
Deposit payment on land (See below)	-	858,670
Corporation tax	24,838	47,757
Receivable arising from issue of ordinary shares	-	55,635
Payments on account to suppliers	-	14,529
Other receivables	<u>132,950</u>	<u>322,587</u>
	<u>7,044,217</u>	<u>7,221,046</u>

The deposit option payment on land represented a deposit paid with respect to a conditional land purchase agreement relating to the land on which the proposed up to 25 MWe Billingham waste gasification and power plant at Haverton Hill, Billingham, UK, would have been constructed. As the Group has announced that this project has been discontinued, this deposit has been written off in 2023 at a cost of €876,449.

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

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

	2023	2022
	€	€
Within terms	1,580,193	1,063,269
Past due more than one month but less than two months	7,000	4,317
Past due more than two months	<u>5,681,527</u>	<u>4,893,418</u>
	<u>7,268,720</u>	<u>5,961,004</u>

Included in the Group's trade receivables balance are debtors with carrying amount of €4,805,840 (2022: €4,417,731) which are past due at year end and for which the Group has not provided.

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

The Group's policy is to recognise an allowance for doubtful debts of 100% against all receivables with non-related parties over 120 days because historical experience has been that trade receivables that are past due beyond 120 days are not recoverable. Allowances for doubtful debts are recognised against trade receivables from non-related parties between 60 days and 120 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position. The review on these balances shows that all of the above amounts are considered recoverable.

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

	2023	2022
	€	€
Ireland	300,209	30,000
Spain	4,482,383	4,295,790
France	807,373	-
Croatia	<u>1,678,756</u>	<u>1,635,214</u>
	<u>7,268,720</u>	<u>5,961,004</u>

The aged analysis of other receivables is within terms.

The closing balance of the trade receivables loss allowance as at 31 December 2023 reconciles with the trade receivables loss allowance opening balance as follows:

€

### Notes to the financial statements

#### 25. TRADE AND OTHER RECEIVABLES

#### 25. TRADE AND OTHER RECEIVABLES - continued



Opening loss allowance as at 1 January 2022

475,687

Loss allowance recognised during the financial year

-

Loss allowance as at 31 December 2022 556

Loss allowance recognised during the year

**Loss allowance as at 31 December 2022**

475,687

Loss allowance recognised during the financial year

400,000

**Loss allowance as at 31 December 2023**

875,687

The closing balance of the advances to related undertakings loss allowance as at 31 December 2023 reconciles with the advances to related undertakings loss allowance opening balance as follows:

€

Opening loss allowance as at 1 January 2022

60,000

Loss allowance recognised during the financial year

-

Loss allowance as at 31 December 2022 556

Loss allowance recognised during the year

**Loss allowance as at 31 December 2022**

60,000

Loss allowance recognised during the financial year

-

**Loss allowance as at 31 December 2023**

60,000

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

	2023	2022
<i>Company</i>	€	€
Amounts due from subsidiary undertakings	23,997,996	20,731,916
Allowance for impairment of balances	<u>(9,004,018)</u>	-
	<u>14,993,978</u>	20,731,916
Trade receivables - Intercompany and related parties	310,496	310,300
Trade receivables - third party	270,013	-
Allowance for credit losses on trade receivables	(30,000)	(30,000)
Advances to related undertakings	60,000	60,000
Allowance for credit losses on advances to related undertakings	(60,000)	(60,000)
Management charges receivable	3,034,241	2,532,848
Prepayments	170,786	63,881
Receivable arising from issue of ordinary shares	-	55,635
Corporation Tax	96	96
VAT Receivable	9,248	4,157
Other receivables	<u>3,126</u>	<u>2,916</u>
	<u>18,761,984</u>	<u>23,671,749</u>

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

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

The closing balance of the trade receivables loss allowance as at 31 December 2023 reconciles with the trade receivables loss allowance opening balance as follows:

€

## Notes to the financial statements

### 25. TRADE AND OTHER RECEIVABLES

#### 25. TRADE AND OTHER RECEIVABLES - continued

Opening loss allowance as at 1 January 2022

30,000

Loss allowance recognised during the financial year

-

Loss allowance as at 31 December 2022 556

Loss allowance recognised during the year

**Loss allowance as at 31 December 2022**

30,000

Loss allowance recognised during the financial year

-

**Loss allowance as at 31 December 2023**

30,000

The closing balance of the advances to related undertakings loss allowance as at 31 December 2023 reconciles with the advances to related undertakings loss allowance opening balance as follows:

€

Opening loss allowance as at 1 January 2022

60,000

Loss allowance recognised during the financial year

-

Loss allowance as at 31 December 2022 556

Loss allowance recognised during the year

**Loss allowance as at 31 December 2022**

60,000

Loss allowance recognised during the financial year

-

**Loss allowance as at 31 December 2023**

60,000

The closing balance of the amounts due to subsidiary undertakings loss allowance as at 31 December 2023 reconciles with the amounts due to subsidiary undertakings opening balance as follows:

€

Opening loss allowance as at 1 January 2022 and at 31 December 2022	-
Loss allowance recognised during the financial year	<u>9,004,018</u>
<b>Loss allowance as at 31 December 2023</b>	<b><u>9,004,018</u></b>

## 27. CASH AND CASH EQUIVALENTS

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

	2023	2022
<i>Group</i>	€	€
Cash and bank balances	262,019	1,693,116
Bank overdrafts (Note 30)	<u>(148,181)</u>	<u>-</u>
	<u>113,838</u>	<u>1,693,116</u>
 <i>Company</i>		
Cash and bank balances	<u>108,763</u>	<u>980,098</u>

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

## 28. EQUITY

### Share Capital

<i>At 31 December 2022</i>	<i>Authorised Number</i>	<i>Allotted and called up Number</i>	<i>Authorised €</i>	<i>Allotted and called up €</i>
Ordinary shares of €0.001 each	12,561,091,094	9,421,479,112	12,561,091	9,421,478
Deferred ordinary shares of €0.40 each	200,000,000	22,370,042	80,000,000	8,948,017
Deferred convertible "A" ordinary shares of €0.01 each	10,000,000,000	99,117,952	100,000,000	991,180
Deferred "B" Ordinary Shares of €0.099 each	75,140,494	75,140,494	<u>7,438,909</u>	<u>7,438,909</u>
			<u>200,000,000</u>	<u>26,799,584</u>
 <i>At 31 December 2023</i>	<i>Authorised Number</i>	<i>Allotted and called up Number</i>	<i>Authorised €</i>	<i>Allotted and called up €</i>
Ordinary shares of €0.01 each	257,610,911	181,485,890	2,576,109	1,814,859
Deferred ordinary shares of €0.40 each	200,000,000	22,370,042	80,000,000	8,948,017
Deferred convertible "A" ordinary shares of €0.01 each	10,000,000,000	99,117,952	100,000,000	991,180
Deferred "B" Ordinary Shares of €0.099 each	75,140,494	75,140,494	7,438,909	7,438,909
Deferred "C" Ordinary Shares of €0.01 each	2,318,498,198	1,330,488,404	<u>23,184,982</u>	<u>13,304,883</u>
			<u>213,200,000</u>	<u>32,497,848</u>

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

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

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

### Share Premium

Proceeds received in excess of the nominal value of the shares issued during the financial year have been included in share premium, less registration and other regulatory fees. Costs of new shares charged to equity amounted to €461,122 (2022: €362,241).

### Company Share Premium

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

### Capital reorganisation

On 17 December 2023, a capital re-organisation took place whereby (1) each existing ordinary share of €0.001 each was sub-divided into 10 ordinary shares of €0.0001 each; (2) every 1,000 sub-divided shares of €0.0001 each was consolidated into 10 ordinary shares of €0.01 each; and (3) 9 out of every 10 ordinary shares of €0.01 each was re-designated into 9 deferred "C" ordinary shares of €0.01 each.

# **Movements in the financial year to 31 December 2023**

<b>Amounts of shares</b>	<b>2023</b>	<b>2022</b>
Ordinary Shares of €0.001 each issued and fully paid		
- Beginning of the financial year	9,421,479,112	8,599,024,945
- Issued on exercise of warrants	-	19,696,881
- Issued in lieu of borrowings and settlement of payables	3,765,165,007	52,757,286
- Share issue placement	1,596,560,373	
- Consolidation of shares from €0.001 to €0.01	<u>(14,783,204,492)</u>	750,000,000
<b>Total Ordinary shares of €0.001 each authorised, issued and fully paid at the end of the financial year</b>	<u>-</u>	<u>9,421,479,112</u>
Ordinary Shares of €0.01 each issued and fully paid		
- Beginning of the financial year	-	-
- Consolidation of shares from €0.001 to €0.01	147,832,044	-
- Issued in lieu of borrowings and settlement of payables	<u>33,653,846</u>	<u>-</u>
<b>Total Ordinary shares of €0.01 each authorised, issued and fully paid at the end of the financial year</b>	<u>181,485,890</u>	<u>-</u>

## **Other Reserves**

Other reserves relates to equity-settled share-based payment transactions.

## **Share warrants and options**

As at 31 December 2023 the Company had 55,787,668 share warrants and options outstanding (2022 (restated): 13,499,903).

<b>No of warrants/options</b>	<b>Exercise price (pence)</b>	<b>Final exercise date</b>
9,999,847	33	30/03/2025
43,670,884	7.878	19/11/2027
230,450	1	31/01/2032
<u>1,886,487</u>	<u>1</u>	<u>30/04/2033</u>
<u>55,787,668</u>		

## **Details of warrants granted**

	<b>LTIP 2022 Options Number</b>	<b>Options Exercise price (Pence)</b>	<b>LTIP 2023 Options Number</b>	<b>Options Exercise price (Pence)</b>	<b>Lender warrants Number</b>	<b>Exercise price (Pence)</b>	<b>Employee warrants Number</b>	<b>Exercise price (Pence)</b>	<b>Employee options Number</b>	<b>Exercise price (Pence)</b>
At 1 January 2023 (Restated)	230,450	1	1,886,487	1	6,666,667	7.878	4,043,254	7.878	673,045	7.878
Issued in year	-	-	-	-	32,287,918	7.878	-	-	-	-
Cancelled or expired in year	-	-	-	-	-	-	-	-	-	-
Exercised in year	-	-	-	-	-	-	-	-	-	-
At 31 December 2023	230,450	1	1,886,487	1	38,954,585	7.878	4,043,254	7.878	673,045	7.878
Exercisable at 31 December 2023	-	-	-	-	38,954,585	7.878	4,043,254	7.878	673,045	7.878
Average life remaining at 31 December 2023	8.08 years		9.25 years		3.87 years		3.87 years		3.87 years	

	<b>2023 Number</b>	<b>Placing warrants Exercise price (Pence)</b>
At 1 January 2023 (Restated)	-	-
Issued in year	9,999,847	33
Cancelled or expired in year	-	-
Exercised in year	-	-
At 31 December 2023	9,999,847	33
Exercisable at 31 December 2023	9,999,847	33
Average life remaining at 31 December 2023	1.25 years	

The opening position on warrants has been restated to reflect the capital reorganisation that took place in the year (see above).

During the year, the Company announced that the EQTEC All Employee Long-term Incentive Plan (the "LTIP") has been cancelled for all Executive directors and staff. Previously issued LTIP options will remain in place and options granted through 2022 will continue to vest.

The Group recognised total expenses of €Nil and €340,257 related to equity-settled share-based payment transactions in 2023 and 2022 respectively (see note 10). The corresponding credit is recognised in the share-based payments reserve.

## **29. NON-CONTROLLING INTERESTS**

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Balance at beginning of financial year	(2,258,523)	(2,384,189)
Share of loss for the financial year	(35)	(11)

Unrealised foreign exchange (losses)/gains	(47,374)	125,677
Balance at end of financial year	(2,305,932)	(2,258,523)
<b>30. BORROWINGS</b>	<b>2023</b>	<b>2022</b>
<b>Group</b>	<b>€</b>	<b>€</b>
<b>Current liabilities</b>		
<i>At amortised cost</i>		
Unsecured loan facility (USLF)	-	5,006,076
Secured loan facility (SLF)	2,242,250	-
Other loans	97,798	99,962
Bank overdraft	148,181	-
	<u>2,488,229</u>	<u>5,106,038</u>
<b>Non-current liabilities</b>		
<i>At amortised cost</i>		
Unsecured shareholder loan (USSL)	-	1,064,598
Secured loan facility (USLF)	1,635,275	-
New syndicated facility (NSF)	<u>822,709</u>	<u>-</u>
	<u>2,457,984</u>	<u>1,064,598</u>
<b>Company</b>	<b>2023</b>	<b>2022</b>
<b>Current liabilities</b>	<b>€</b>	<b>€</b>
<i>At amortised cost</i>		
Unsecured loan facility (USLF)	-	5,006,076
Secured loan facility (SLF)	<u>2,242,250</u>	<u>-</u>
	<u>2,242,250</u>	<u>5,006,076</u>
<b>Non-current liabilities</b>		
<i>At amortised cost</i>		
Unsecured shareholder loan (USSL)	-	1,064,598
Secured loan facility (SLF)	1,635,275	-
New syndicated facility (NSF)	<u>822,709</u>	<u>-</u>
	<u>2,457,985</u>	<u>1,064,598</u>

#### Borrowings at amortised cost

On 28 March 2022, the Company entered into arrangements in respect of the provision of a new unsecured loan facility (USLF) for up to £10 million, with an initial advance received by the Company of £5 million. The initial advance is to be repaid on a monthly basis commencing 5 months after the receipt of the advance by the Company and have a final maturity date of 12 months. The Company will also pay a fixed interest coupon to the lenders on a quarterly basis calculated at 7.5% of the value of each advance of the USLF. On 20 November 2023, it was announced that the USLF was to be replaced by a new secured loan facility (SLF) the initial advance of which was made of the balance on the old USLF (£4.2 million) plus £1.1 million of 30 months 10% p.a. fixed coupon less £200,000 paid off by way of shares. This initial advance will have a 6-month principal repayment holiday, followed by 24 equal monthly cash repayments of principal and interest thereafter to the maturity date. The Company has entered into a debenture with Riverfort Global Capital Limited (as security agent) to provide the lenders with fixed and floating charges on all of the assets of the company. The Debenture secures all monies owed to the Lenders under the SLF from time to time. The Company's obligations are also guaranteed by certain of its subsidiaries. At 31 December 2023, the face value of the SLF and accrued interest at 31 December 2023 was €4,715,173 (2022: €Nil).

On 8 December 2022, the Company entered into a loan facility (USSL) with Altair Group Investment Limited, the Company's largest shareholder. The USSL will provide the Company with an up to £2.0 million unsecured loan with a term of 24 months from the date of execution. The USSL carries an annual interest rate of 8.0% on funds drawn and outstanding, with interest payable quarterly in advance. Additionally, the Company will pay a 2.5% fee for arrangement of the Facility. On 20 November 2023, it was announced that the balance of the USSL will be settled by the issue of shares in the Company. At 31 December 2023, the face value of the USSL and accrued interest at 31 December 2023 was €Nil (2022: €1,131,513).

On 20 November 2023, the Company entered into a new unsecured convertible loan facility ("New Syndicated Facility" or NSF) which has been provided by existing lenders, including Altair Group Investment Limited. The facility is for up to £3 million, with an initial advance received by the Company of £950,000. Each Tranche will be repaid in instalments agreed with the Lenders at the time of each draw down and will have a final maturity date of 24 months from the date of advance to the Company. The Company will pay a fixed interest coupon calculated at 8% per annum of the amount of the Tranche, paid in instalments on each Repayment Date. In respect of the First Tranche, the entire amount of the advance plus fixed interest is repayable on the final maturity date. The NSF is unsecured, but the Company's obligations are guaranteed by certain of its subsidiaries. At 31 December 2023, the face value of the NSF and accrued interest at 31 December 2023 was €987,747 (2022: €Nil).

#### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities. Except where noted, all liabilities noted below are disclosed in Note 30.

	USLF	USSL	Other Loans	Lease Liabilities (Note 31)
	€	€	€	€
Balance at 1 January 2022	-	-	-	257,708
<b>Financing Cash Flows</b>				
Proceeds from borrowings	5,981,262	1,157,520	98,068	-
Repayment of borrowings and lease liabilities	(919,931)	-	-	(206,552)
Change in bank overdraft	(328,769)	(5,788)	-	-
<b>Total from financing cash flows</b>	<u>4,732,562</u>	<u>1,151,732</u>	<u>98,068</u>	<u>(206,552)</u>
<b>Non-cash changes</b>				
Capitalisation of leases	-	-	-	4,042
Effect of changes in foreign exchange rates	(303,002)	(27,615)	(303)	(3,667)
Amortisation of loan issue costs	243,825	896	-	-
Other changes	<u>332,691</u>	<u>(60,415)</u>	<u>2,197</u>	<u>5,000</u>
<b>Total non-cash changes</b>	<u>273,514</u>	<u>(87,134)</u>	<u>1,894</u>	<u>5,375</u>
Balance at 31 December 2022	<u>5,006,076</u>	<u>1,064,598</u>	<u>99,962</u>	<u>56,531</u>

Other changes include interest accruals and payments.

#### Reconciliation of liabilities arising from financing activities - continued

	USLF	SLF	USSL	NSF	Other Loans	Bank Overdraft
	€	€	€	€	€	€
Balance at 1 January 2023	<u>5,006,076</u>	-	<u>1,064,598</u>	-	<u>99,962</u>	-
<b>Financing Cash Flows</b>						
Proceeds from borrowings	-	-	1,373,190	918,762	-	-
Repayment of borrowings and lease liabilities	(424,594)	-	(1,707,919)	-	(2,197)	-
Loan issue costs paid	<u>(3,423)</u>	<u>(34,386)</u>	-	<u>(6,877)</u>	-	-
<b>Total from financing cash flows</b>	<u>(428,017)</u>	<u>(34,386)</u>	<u>(334,729)</u>	<u>911,885</u>	<u>(2,197)</u>	-
<b>Non-cash changes</b>						
Capitalisation of leases	-	-	-	-	-	-
Conversion of debt into equity	(1,010,519)	(640,727)	(1,296,226)	(65,334)	-	-
Effect of changes in foreign exchange rates	71,239	22,833	13,016	3,084	33	-
Redemption fee levied	-	-	250,294	-	-	-
Commitment fee levied	-	-	100,293	-	-	-
Transfers	(4,280,754)	4,256,684	-	24,070	-	-
Transfer from cash and cash equivalents	-	-	-	-	-	148,181
Amortisation of loan issue costs	305,530	43,144	68,294	7,962	-	-
Other changes	<u>336,445</u>	<u>229,977</u>	<u>134,460</u>	<u>(58,958)</u>	-	-
<b>Total non-cash changes</b>	<u>(4,578,059)</u>	<u>3,911,911</u>	<u>(729,869)</u>	<u>(89,176)</u>	<u>33</u>	<u>148,181</u>
Balance at 31 December 2023	-	<u>3,877,525</u>	-	<u>822,709</u>	<u>97,798</u>	<u>148,181</u>

Other changes include interest accruals and payments.

### 31. LEASES

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

	2023	2022
Group	€	€
Current	202,200	56,531

Current	202,198	56,531
Non-current	<u>400,518</u>	<u>-</u>
	<u>603,316</u>	<u>56,531</u>

The Group has leases for its offices in London, England and in Barcelona, Spain. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see Note 18).

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

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

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No of leases with options to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Leasehold Building	2	1.75-4.33 years	3.04 years	0	0	0	0

The lease liabilities are secured by the related underlying asset. Further minimum lease payments at 31 December 2023 were as follows:

		Within 1 year	1-2 years	Minimum lease payments due			4-5 years	After 5 years	Total
		€	€	2-3 years	3-4 years	€	€	€	€
<b>2023</b>									
Lease payments		218,124	184,420	105,600	105,600	22,000	-	-	635,744
Finance charges		-	(9,270)	(5,391)	(2,343)	-	-	-	-
		<u>(15,326)</u>	<u>(9,270)</u>	<u>(5,391)</u>	<u>(2,343)</u>	<u>(98)</u>	-	-	<u>(32,428)</u>
<b>Net Present Values</b>		<u>202,798</u>	<u>175,150</u>	<u>100,209</u>	<u>103,257</u>	<u>21,902</u>	-	-	<u>603,316</u>
<b>2022</b>									
Lease payments		56,849	-	-	-	-	-	-	56,849
Finance charges		<u>(318)</u>	-	-	-	-	-	-	<u>(318)</u>
<b>Net Present Values</b>		<u>56,531</u>	-	-	-	-	-	-	<u>56,531</u>

**Lease payments not recognised as a liability**

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

	2023	2022
	€	€
Short term leases	57,845	16,131
Leases of low-value assets	<u>27,452</u>	<u>10,294</u>
	<u>85,297</u>	<u>26,425</u>

At 31 December 2023, the Group was committed to short-term leases and the total commitment at that date was €18,651 (2022: €18,837).

Total cash outflow for lease liabilities for the financial year ended 31 December 2023 was €174,773 (2022: €206,552).

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

	Carrying Amount (Note 18)	Depreciation Expense	Impairment
	€	€	€
Leasehold Buildings	<u>597,233</u>	<u>168,187</u>	-
<b>Total Right-of-use assets</b>	<u>597,233</u>	<u>168,187</u>	-

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

<b>32. TRADE AND OTHER PAYABLES</b>	<b>2023</b>	<b>2022</b>
<b>Group</b>	<b>€</b>	<b>€</b>
VAT payable	227,242	273,570
Trade payables	1,458,810	1,537,888
Advances paid by customers	228,510	186,018
Other payables	30,585	2,629,734
Amounts payable to associates	129,737	-
Deferred income - government grants (Note 33)	300,000	-
Accruals	361,636	1,522,092
PAYE & social welfare	<u>117,121</u>	<u>115,102</u>
	<u>2,853,641</u>	<u>6,264,404</u>

Trade and other creditors are payable at various dates in accordance with the suppliers' usual and customary credit terms. PAYE and social welfare and other taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

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

Included in other payables is an amount of €Nil (£Nil) (2022: €2,485,623 (£2,500,000)) relating to consideration payable under the share purchase contract to acquire Logik WTE Limited. This liability was derecognised at a credit of €2,357,091 as the associated investment was derecognised (See Note 22).

	2023	2022
<i>Company</i>	€	€
Trade payables	368,192	161,177
Other creditors	3,437	4,504
Amounts payable to subsidiary undertakings	2	2
Advances paid by customers	-	69,018
PAYE & social welfare	15,017	24,685
Accruals	<u>260,615</u>	<u>1,115,163</u>
	<u>647,263</u>	<u>1,374,549</u>

Trade and other creditors are payable at various dates in accordance with the suppliers' usual and customary credit terms. PAYE & social welfare are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

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

33. <b>DEFERRED INCOME - GOVERNMENT GRANTS</b>	2023	2022
<i>Group</i>	€	€
Government Grant	<u>300,000</u>	-

The above grant was received from the French government to lead a technical and commercial feasibility on the site of a decommissioned coal-fired power station. The income will be offset against sales arising from this project. There are no unfulfilled conditions or other contingencies attaching to this grant.

#### 34. DISPOSAL OF SUBSIDIARY

On 12 July 2023, the Group disposed of 95% of its interest in Grande-Combe SAS, retaining 5% which has been transferred to other investments (See Note 23).

The net liabilities of Grande Combe SAS at the date of disposal were as follows:

	12 July 2023
	€
Property, plant & equipment	50,000
Development costs	386,197
Trade and other receivables	39,841
Bank balances and cash	1,404
Trade and other payables	<u>(523,817)</u>
	(46,375)
Gain on disposal	<u>273,402</u>
<b>Total Consideration</b>	<u>227,027</u>
<i>Satisfied by:</i>	
Cash and cash equivalents	226,977
Minority interest retained	<u>50</u>
	<u>227,027</u>
<i>Net cash inflow arising on disposal</i>	
Consideration received in cash and cash equivalents	226,977
Less: Cash equivalents disposed of	<u>(1,404)</u>
	<u>225,573</u>

There was no disposal of subsidiaries made in 2022.

#### 35. DISCONTINUED OPERATIONS

As disclosed in Note 34 above, the Group disposed of 95% of its interest in Grande-Combe SAS.

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

	Period ended 12 July 2023	Year ended 31 December 2022
	€	€
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	(1,448)	(33,776)
Finance costs and income	-	-
Loss from discontinued operations before tax	<u>(1,448)</u>	<u>(33,776)</u>
Taxation	-	-
Loss for the financial period from discontinued operations (attributable to owners of the Company)	<u>(1,448)</u>	<u>(33,776)</u>
Profit after tax on disposal of subsidiary (Note 24)	273,402	-

Profit after tax on disposal of subsidiary (note 24)	<u>213,402</u>	<u>-</u>
Profit for the year from discontinued operations	<u>271,954</u>	<u>(33,776)</u>

Cash flows generated by Grande-Combe SAS for the financial years under review were as follows:

	Period ended 12 July 2023	Year ended 31 December 2022
	€	€
Operating activities	(1,448)	(33,776)
Investing activities	-	(50,000)
Financing activities	-	-
Net cash flows used in discontinued operations	<u>(1,448)</u>	<u>(83,776)</u>

### 36. RELATED PARTY TRANSACTIONS

The Group's related parties include Altair Group Investment Limited ("Altair"), who at 31 December 2023 held 18.19% (2022: 19.00%) of the shares in the Company. Other Group related parties include the associate and joint venture companies and key management.

#### Transactions with Altair

During the financial year ended 31 December 2023, Altair advanced €1,373,191 (2022: €1,157,520) to the Group by way of borrowings. During the financial year ended 31 December 2023, the Group repaid borrowings of €1,707,919 (2022: €Nil) by way of cash and €1,296,226 (2022: €Nil) by way of conversion into equity. Interest payable to Altair for the financial year ended 31 December 2023 amounted to €455,686 (2022: €1,725) and is included in interest on loans, bank facilities and overdrafts as set out in Note 11. Included in the above figure was €320,474 (2022: €Nil) representing redemption and commitment fees. Included in borrowings, net of amortisation costs, at 31 December 2023 is an amount of €Nil (2022: €1,064,598) due to Altair from the Group (See Note 30).

During the financial year ended 31 December 2023, Altair advanced €173,730 (2022: €Nil) to the Group as part of the new syndicated facility advanced by a number of lenders. Interest payable to Altair as part of the new syndicated facility amounted to €343 (2022: €Nil) and is included in interest on loans, bank facilities and overdrafts as set out in Note 11. Included in borrowings, net of amortisation costs, at 31 December 2023 is an amount of €152,643 (2022: €Nil) due to Altair from the Group as part of the new syndicated facility (See Note 30).

#### Transactions with key management personnel

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

Name	Date of Directorship appointment/ retirement	Salary €'000s	Fees €'000s	Pension Contribution €'000s	Other Benefits €'000s	Termination Payments €'000s	Short Term Incentives €'000s	Long term Incentives €'000s	2023 Total €'000s	2022 Total €'000s
<b>Executive Directors</b>										
D Palumbo		259	-	13	7	-	(83)	-	196	-
J. Vander Linden		259	-	13	10	-	(83)	-	199	-
Y. Aleman		194	-	-	-	-	(55)	-	139	-
<b>Former Executive Directors</b>										
N. Babar	Resigned 17/11/2023	190	-	9	4	-	(62)	-	141	-
<b>Non-Executive Directors</b>										
I. Pearson		-	69	-	-	-	-	-	-	69
T. Quigley		-	41	-	-	-	-	-	-	41
<b>Total 2023</b>		<b>902</b>	<b>110</b>	<b>35</b>	<b>21</b>	<b>-</b>	<b>(283)</b>	<b>-</b>	<b>785</b>	<b>-</b>
<b>Total 2022</b>		<b>920</b>	<b>113</b>	<b>36</b>	<b>24</b>	<b>-</b>	<b>275</b>	<b>185</b>	<b>-</b>	<b>1,414</b>

At 31 December 2023, directors' remuneration unpaid (including past directors) amounted to €66,568 (31 December 2022: €274,917).

During the year, it was agreed to cancel the short term incentive payable to executive directors accrued in 2022.

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

#### Transactions with unconsolidated structured entities

During the year ended 31 December 2023, the Group generated sales of €807,373 from Biogaz Gardanne SAS (2022: €Nil), an unconsolidated structured entity as set out in Note 20. Included in trade and other receivables at 31 December 2023 is €807,373 receivable from Biogaz Gardanne SAS (2022: €Nil).

#### Transactions with associate undertakings and joint ventures

The following transactions were made with associate undertakings and joint ventures for the year ended 31 December 2023:

North Fork Community Power LLC		Synergy Belisce d.o.o.		Synergy Karlovac d.o.o.		EQTEC Italia MDC srl		Eqtec Synergy Projects Limited		Total	
2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
€	€	€	€	€	€	€	€	€	€	€	€



<b>Loans to associated undertakings and joint ventures</b>											
At start of year	-	1,891,842	2,247,366	551,808	1,170,612	585,251	1,656,573	492,406	100,000	100,000	5,174,551
Advanced during year	-	528,085	4,600	1,706,258	11,100	618,356	334,750	-	-	-	350,450
Repaid in year	-	-	-	(8,694)	(3,700)	(31,324)	(32,000)	-	-	-	(35,700)
Acquisition of loans	-	-	-	-	-	-	623,234	-	-	-	623,234
Debtor reclassified as loan	-	-	-	-	-	-	554,067	1,161,000	-	-	554,067
Payables reclassified	-	-	-	-	-	-	279,000	-	-	-	279,000
Loans derecognised	-	-	-	-	-	-	(252,500)	-	-	-	(252,500)
Interest charged in year	-	177,069	-	-	-	-	71,562	19,119	-	-	71,562
Loans reclassified as investment (see below)	-	(2,728,959)	-	-	-	-	(487,545)	(15,952)	-	-	(487,545)
Exchange differences	-	<u>131,963</u>	<u>756</u>	<u>(2,006)</u>	<u>394</u>	<u>(1,671)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,150</u>
At end of year	-	<u>-</u>	<u>2,252,722</u>	<u>2,247,366</u>	<u>1,178,406</u>	<u>1,170,612</u>	<u>2,747,141</u>	<u>1,656,573</u>	<u>100,000</u>	<u>100,000</u>	<u>6,278,269</u>
<b>Sales of goods and services</b>											
Technology sales	20,341	-	75,000	1,000,000	75,000	-	149,263	3,500,000	-	-	319,604
Development fees	-	-	-	<u>245,010</u>	-	<u>115,005</u>	-	-	-	-	-
	<u>20,341</u>	-	<u>75,000</u>	<u>1,245,010</u>	<u>75,000</u>	<u>115,005</u>	<u>149,263</u>	<u>3,500,000</u>	-	-	<u>319,604</u>
<b>Other income</b>											
	-	-	-	-	-	-	<u>108,932</u>	-	-	-	<u>108,932</u>
<b>Year-end balances</b>											
Included in trade receivables	<u>20,341</u>	-	<u>2,292,836</u>	<u>2,217,523</u>	<u>2,320,428</u>	<u>2,245,191</u>	<u>68,341</u>	<u>609,000</u>	-	-	<u>4,701,946</u>
Included in other receivables	-	-	-	-	<u>12,426</u>	<u>12,421</u>	<u>100</u>	<u>100</u>	<u>18,956</u>	<u>16,956</u>	<u>31,482</u>
Included in other payables	-	-	-	-	-	-	<u>129,737</u>	-	-	-	<u>129,737</u>

As part of the financial restructurings of North Fork Community Power LLC under Chapter 11 of the US Bankruptcy Code (see Note 21), borrowings and accrued interest advanced to North Fork Community Power LLC amounting to €2,728,959 have been reclassified as equity in North Fork Community Power LLC in the year ended 31 December 2022. As set out in note 21, the Group has made the decision to impair fully the investment in 2023, leading to an impairment cost of €2,729,959 for the year ended 31 December 2023.

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

### 37. EVENTS AFTER THE BALANCE SHEET DATE

#### *Drawdown of Bank Refinance Approved for Italy Market Development Centre*

On 16 January 2024, it was announced that Banca del Fucino Sp.A., a historic private banking group based in Rome, (the "Lender") has approved the drawdown of a loan facility of €2.9 million to provide financing to its associate entity, EQTEC Italia MDC srl, which owns the Italy Market Development Centre, located in Callina, near Castiglione d'Orcia, Tuscany, Italy. The term of the Facility is 48 months, with an annual interest rate of 2.5% over the six-month Euro Interbank Offered Rate (Euribor), which is currently c. 3.9%. The loan is guaranteed up to 80% by MedioCredito Centrale Sp.A., which is controlled by the Italian Ministry of Economy. Italia MDC intends to draw down the Facility in full imminently to support the Plant's business plan and to fund additional performance improvements as Italia MDC pursues further operational efficiency and commercial opportunities.

#### *Settlement Agreement with Logik Developments*

On 3 April 2024, it was announced that the Company has reached a settlement agreement with Logik Developments Limited and its wholly-owned subsidiary Logik WTE Limited (collectively, "Logik"). Pursuant to the Settlement Agreement, the Company and its wholly-owned subsidiaries EQTEC UK Services Limited and Deeside WTV Limited and Logik have agreed to the full and final settlement of certain claims between them. In connection with this settlement, subject to and conditional on the sale of a site at Weighbridge Road in Deeside Industrial Park (the "Land") completing on or before 30 April 2024, Logik will pay the Company a settlement sum of £1.7 million within the next business day following the date of completion. If the sale of the Land completes between 1 May 2024 and 30 November 2024 Logik will pay the Company a settlement sum of £2 million within the next business day following the date of completion. If a sale of the Land does not complete by 1 December 2024, Logik will be liable to pay to the Company £2,000,000 not conditional upon any sale of the Land. Under the terms of the Settlement Agreement, EQTEC will also receive interest at 4% above the Bank of England Base Rate on any part of the settlement sum that is not paid in accordance with the terms of the Settlement Agreement. The Company has received confirmation from Logik that the Land is currently in the process of being sold and that the proposed purchaser is funded by a global investment company. Further, the Company has been informed that all elements of the transaction have now been agreed and the funder is seeking final sign-off and confirmation at its internal committee meeting in the coming days.

On 1 May 2024, it was announced that the Company has received written confirmation from Logik that, in exchange for the

On 1 May 2024, it was announced that the Company has received written confirmation from Logik that exchange for the sale of the Land to a proposed purchaser, who is funded by a global investment company, has taken place. Completion of the purchase of the Land and receipt of funds by EQTEC remains conditional only upon the final legal execution of certain documents pertaining to the project. The long stop date for completion has been set for 28 June 2024

#### *Drawdown on Syndicated Facility*

On 8 May 2024, the Company announced that it has received a further advance of £340,000 pursuant to the terms of the New Syndicated Facility announced on 23 November 2023. The Drawdown is intended to provide working capital in advance of the anticipated receipt of the proceeds from the settlement with Logik Developments. In accordance with the terms of the New Syndicated Facility, the Refinance Investors will be granted an aggregate of 7,359,671 warrants in the Company with an exercise price of £0.02656 per Warrant (being 150% of the average of the 5 daily VWAPs prior to execution) and a 48-month term from grant.

#### *Repayment and conversion for reduction of debt balances*

On 8 May 2024, the Company announced that Riverfort Global Opportunities PCC Limited and YA II PN Limited (the "Lenders") are party to a secured facility of up to £10.0 million as detailed in the Company's announcement on 20 November 2023 (the "YA-RF Secured Facility"). No further funds have been advanced pursuant to the YA-RF Secured Facility which currently stands with £5.1 million drawn and no further fees have been accrued since that time. Upon the anticipated receipt of funds pursuant to the Logik settlement, 20% of the proceeds of the Logik settlement amounting to £400,000 will be paid to the YA-RF Lenders to reduce the balances outstanding pursuant to the YA-RF Secured Facility. In addition, Riverfort Global Opportunities PCC Limited has agreed with the Company to convert part of the outstanding balances of the YA-RF Secured Facility by subscribing £200,000 for 12,802,031 shares in the Company at an issue price of 1.562p per share, representing a 5.3% discount to the mid-market closing price of 3 May 2024.

#### *Refinancing of existing secured loan facility*

On 23 May 2024, the Company announced that they have secured a refinancing of its existing secured facility, the YA-RF Secured Facility. The new funding replaces the previous funding with a non-convertible secured term loan facility with no scheduled repayments until 21 May 2026. the key terms of which are:

- A 24-month term ("Term"), with repayment of the principal and interest of each advance due at the expiry of the Term (subject to agreed prepayments as detailed below).
- 9.5% fixed coupon of principal outstanding accruing on the commencement of each 12-month period.
- No fixed monthly payment or conversion rights. Outstanding amounts will only be converted into shares in the Company in the case of an event of default.
- Arrangement fee of 5% for each advance.
- Maximum facility amount reduced to £5.5m.
- Repayment of principal and interest secured by the Debenture previously granted (as detailed in the Refinance Announcement).
- Agreed prepayments, save as waived in full or part by the Lenders, during the Term:
  - 20% of net funds received by the Company of any certain future equity fundraisings;
  - 25% of any cash inflows excluding operational turnover or equity placements. This will include the anticipated proceeds of the Logik settlement, details of which were announced by the Company on 3 April 2024; and
  - 10% of net revenue (after costs of sales) earned, paid quarterly in arrears.
- The above repayment terms supersede other repayment obligations to the Lenders that were previously announced.

#### *Equity placement*

On 28 May 2024, the Company announced a fundraise of £852,425 (Gross), achieved through the placing of 60,887,490 ordinary shares of £0.01 each in the Company ("Shares") at £0.014 per share to the subscribers (the "Placing Shares"). A further 2,435,499 new Shares are being issued in settlement of certain fees in relation to the Placing ("Fee Shares"). The Placing represents a new capital injection raised for cash proceeds. No portion of the Placing will be used for repayments of the Term Loan with the lenders having waived the rights to any prepayment arising from the Placing. The board intends for the proceeds of the Placing to be used for the working capital for the operations of the Company. On 31 May 2024, the Company confirmed receipt of £350,000 in relation to the above placing and on 11 June 2024 confirmed receipt of the balance of £502,425.

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

### **38. NON-CASH TRANSACTIONS**

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

	2023 €	2022 €
Issue of shares in settlement of borrowings and other liabilities	<u>3,876,990</u>	<u>290,429</u>

### **39. COMPANY PROFIT AND LOSS**

As a consolidated group income statement is published, a separate income statement for the parent company is omitted from the Group's financial statements by virtue of section 304(2) of the Companies Act, 2014. The Company's loss for the financial year ended 31 December 2023 was €33,492,877 (2022: €5,216,344).

### **40. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were approved by the Board of Directors on 27 June 2024.

## **ENQUIRIES**

<b>EQTEC plc</b> David Palumbo / Jeffrey Vander Linden	+44 20 3883 7009
<b>Strand Hanson - Nomad &amp; Financial Adviser</b>	+44 20 7409 3494

James Harris / Richard Johnson	
<b>Global Investment Strategy UK Ltd - Broker</b> Samantha Esqulant	+44 20 7048 9045
<b>Fortified Securities - Broker</b> Guy Wheatley	+44 20 3411 7773

### About EQTEC plc

As one of the world's most experienced thermochemical conversion technology and engineering companies, EQTEC delivers waste management and new energy solutions through best-in-class innovation and infrastructure engineering and value-added services to owner-operators. EQTEC is one of only a few technology providers directly addressing the challenge of replacing fossil fuels for reliable, baseload energy. EQTEC's proven, proprietary and patented technology is at the centre of clean energy projects, sourcing local waste, championing local businesses, creating local jobs and supporting the transition to localised, decentralised and resilient energy systems.

EQTEC designs, specifies and delivers clean, syngas production solutions in the USA, EU and UK, with highly efficient equipment that is modular and scalable from 1MW to 30MW. EQTEC's versatile solutions process 60 varieties of feedstock, including forestry waste, agricultural waste, industrial waste and municipal waste, all with no hazardous or toxic emissions. EQTEC's solutions produce a pure, high-quality synthesis gas ("syngas") that can be used for the widest range of applications, including the generation of electricity and heat, production of renewable natural gas (through methanation) or biofuels (through Fischer-Tropsch, gas-to-liquid processing) and reforming of hydrogen.

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

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

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



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