

26 July 2024

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

Acquisition of property housing the EQTEC Italia MDC plant

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 is pleased to confirm the acquisition of two lots of property in Castiglione d'Orcia (SI), Italy that house the EQTEC Italia MDC plant and feedstock storage facilities (the "**Property**"). The Property includes land, buildings and associated rights of way. Formal completion of the Property acquisition (the "**Transaction**") occurred on 25 July 2024 and accordingly, EQTEC Italia MDC Srl's ("**Italia MDC**") ownership of the Property is now registered with the Siena provincial authorities.

The first lot of the Property houses the core gasification technology supplied by EQTEC to the plant, including the gasification reactor, the cyclone, the thermal cracking reactor, the filter and other components that comprise EQTEC's patented and proprietary end-to-end syngas production process. It also houses the control room for EQTEC's proprietary control systems and an engine room that houses a Jenbacher engine, which uses the syngas supplied by the EQTEC process as fuel to generate heat and electrical power, the former of which is recycled to support plant operations and the latter of which is exported to the national grid, earning revenues at a preferential tariff.

The second lot of the Property acquired is a large, segmented storage facility that stores feedstock to be input into the EQTEC process for thermochemical conversion, and equipment regularly used by the operations & maintenance team on site.

The consideration for the Transaction was €0.57 million in cash, funded by Italia MDC from the €2.9 million facility provided by Banda del Fucino S.p.A. announced by the Company on 16 January 2024.

Prior to its legal acquisition of the Property, Italia MDC had been leasing it from Toscana Cereali Societa' Cooperativa Agricola. Following the Transaction, leasing payments no longer apply, saving operational expenditure of c. €0.1 million per annum.

David Palumbo, CEO of EQTEC, commented:

"Italia MDC has completed the Transaction on schedule and thus takes ownership of critical infrastructure and land to support the plant. In addition to removing rent as a run cost to the facility, in the Board's view this Transaction also substantially enhances the value of the combined facility and gives Italia MDC the flexibility to develop it further for efficiencies and new revenue opportunities."

ENQUIRIES

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About EQTEC Italia MDC srl

EQTEC Italia MDC Srl ("**Italia MDC**") is a company registered in Italy for the purpose of cleanly transforming agricultural and forestry waste into energy in a relatively remote and heavily agrarian community. The Company currently owns 49.0% of Italia MDC, with an option to acquire further equity in future.

Italia MDC owns and operates a 1 MWe plant in Gallina (the "**Plant**"), a village near Castiglione d'Orcia in Tuscany's Val d'Orcia, an area considered to be the region's most scenic. With EQTEC technology at its core, the Plant is capable of converting multiple types of biomass feedstock into electrical power, thermal energy and biochar. For EQTEC specifically, the Plant is a reference facility that demonstrates the capabilities of EQTEC's patented and proprietary technology at commercial scale.

Initially, the Plant is converting higher-density wood waste into electrical power for export to the national grid, for which a connection has been secured with a preferential tariff. Thermal energy produced through the continuous EQTEC thermochemical conversion process is being recycled to dry the feedstock, improving the Plant's waste-to-energy conversion efficiency. In addition to the electricity, the Plant is producing biochar for which customers are being developed in Italy and beyond.

The Plant is also capable of supporting lower-density feedstocks such as straw or other agricultural waste. This ability to switch amongst feedstock types and suppliers adds resilience to Italia MDC's business model. In future, Italia MDC is considering permits for different feedstocks that could be supported by the technology and that might deliver even better economics.

The Plant, which went into live operation in March 2023 is working toward sustained, continuous operation, having stabilised its operations and maintenance team in 2023. In 2024, the Plant has had successive operational runs, with regular down time for maintenance and improvements. As a reference plant for EQTEC, the Plant is already showing itself to be an excellent testing ground for innovations and operational enhancements that will contribute to improvement of EQTEC's technology across all plants applying it. The focus of Italia MDC remains sustained and continuous operation of the plant for stable revenues and profitability.

About EQTEC

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 the London Stock Exchange's Alternative Investment Market (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.

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