

10 April 2025

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

Subscription of £1.5 million by strategic investor
Proposed transfer of existing loan facilities to strategic investor

EQTEC plc (AIM: EQT), a leading licensor and innovator of syngas technology for clean conversion of the world's waste into sustainable energy and biofuels, to power the circular economy, announces a subscription (the "**Subscription**") of 176,470,588 new ordinary shares of €0.01 each in the capital of the Company ("**Ordinary Shares**") at a price of 0.85 pence per share (the "**Subscription Price**") (the "**Subscription Shares**") by CompactGTL Limited ("**CGTL**") via its wholly owned subsidiary Compact WTL Tech Limited ("**CWTL**"). Further details in relation to the Subscription are set out below.

The Company has also agreed to issue 88,235,294 Warrants to CWTL as part of the Subscription on a 1 for 2 basis with the Subscription Shares (the "**Warrants**"). The Warrants may be exercised at a price of 1.5p at any time up to the fourth anniversary of the date of the Warrant Instrument.

The Subscription Shares when fully issued will equate to approximately 28.87% of the Company's then enlarged issued ordinary share capital and the Subscription Price represents a premium of 39% on the mid-market closing price of 0.61 pence per Ordinary Share on 9 April 2025.

The collaboration between EQTEC and CompactGTL has evolved beyond a joint venture vehicle for commercialising integrated waste-to-liquid (WTL) technology, as was announced on 16 January 2024. The decision to move towards a direct equity participation by CGTL in EQTEC follows ongoing advanced discussions with key investors of CGTL who being highly focused on the WTL business are seeking a structure that captures both the individual and consolidated value of the intellectual property ("**IP**") of both companies. As part of this strategy, CGTL is establishing a significant direct interest in EQTEC and will form, with the Company, a new joint venture entity in the United Arab Emirates ("**UAE**"), which will serve as the dedicated vehicle for integrated WTL business operations in the MENA region. This approach aligns with the long-term vision of scaling up commercial deployment and driving synergies between both companies' technologies. The aim is to attract local investors and strategic partners into the UAE entity.

The proceeds of the Subscription will be used to continue to develop EQTEC and CGTL integrated IP for WTL technology, to acquire an interest in a containerised syngas to liquid fuel pilot plant and contribute to the ongoing working capital requirements of the Group.

David Palumbo, CEO of EQTEC, commented:

"We are delighted to welcome CompactGTL as a strategic investor in EQTEC. CompactGTL's extensive expertise in gas-to-liquids (GTL) technology and its proven track record in synthetic fuel production make it an ideal partner as we advance our commercial deployment of integrated WTL solutions. Their deep understanding of modular GTL solutions and experience in transforming natural gas into high-value liquid fuels align perfectly with EQTEC's mission to drive innovation in waste-to-fuel technologies.

This investment allows us to accelerate the deployment of integrated waste-to-liquid fuel solutions at scale, reinforcing our position in the rapidly expanding synthetic fuels market. We look forward to leveraging CompactGTL's technical expertise, investor relationships, and strategic insight to maximise value for our shareholders."

Anar Asgarov, CEO of CompactGTL, commented:

"CompactGTL is excited to become a strategic investor in EQTEC at a time when the demand for advanced synthetic fuels is surging and governments globally are implementing a mix of mandates, incentives and policy frameworks to accelerate SAF production and adoption. EQTEC's proven syngas technology, combined with our Fischer-Tropsch gas-to-liquid conversion expertise, presents a unique opportunity to deliver commercially scalable waste-to-liquid fuel solutions.

Our focus has always been on pioneering GTL technologies to transform gas into valuable, sustainable fuels. Now, through this investment, we can accelerate integrating our expertise with EQTEC's advanced gasification technology to create a highly efficient, modular waste-to-liquid fuel platform. We are committed to working alongside David and the EQTEC team to commercialise these innovations and bring game-changing energy solutions to market."

Subscription by new strategic investor

CompactGTL is a strategic investor and a global leader in small-scale, modular gas-to-liquid (GTL) technology. With over 18 years of experience in developing Fischer-Tropsch (FT) catalytic conversion processes, CompactGTL specializes in transforming synthesis gas into high-value synthetic fuels. The company has successfully demonstrated its GTL technology at commercial scale, including projects in Brazil with Petrobras, and has built a strong reputation in the energy sector for delivering innovative and efficient gas-to-liquids solutions.

In response to the growing demand for low-carbon and circular economy solutions, CompactGTL has expanded its focus beyond traditional gas processing to include renewable fuel markets. By leveraging its expertise in modular GTL technology, the company is actively developing strategic partnerships to integrate biomass and waste-derived syngas into its liquid fuel production processes.

The proposed investment in EQTEC marks a significant step in CompactGTL's strategy to enter the waste-to-liquid fuel sector, combining its Fischer-Tropsch expertise with EQTEC's advanced gasification technology. This strategic alignment is expected to accelerate commercial deployment and establish a scalable, commercially viable waste-to-fuel platform for global markets.

Following the Subscription and Admission (as defined below), CWTL will be interested in 28.87% of the enlarged ordinary share capital of the Company. Pursuant to the Subscription, CWTL has undertaken that neither it nor any person acting in concert with it (including, without limitation, any connected parties as defined under the Irish Takeover Rules) will hold, be that through the Subscription, exercise of Warrants or otherwise, directly or indirectly, in excess of 29.9% of the voting rights or control in the Company. This undertaking will remain in force until all of the following occur:

- (a) the Irish Takeover Panel agrees to provide a waiver in respect of Rule 9.1 of the Irish Takeover Rules in respect of any mandatory offer obligation which may be incurred by CWTL or any person acting in concert with it by reason of an increase in their aggregate percentage shareholding above 29.9% as a result of the exercise by CWTL of Warrants granted to it, the conversion of any loan balances referenced below or through purchases on the market;
- (b) the approval by the Irish Takeover Panel of a circular to Shareholders of the Company which complies with the whitewash guidance note of Rule 9 of the Irish Takeover Rules, as appropriate; and
- (c) the passing of a Whitewash Resolution, on a poll vote, by a majority of the "independent shareholders" (as that term is used in the Irish Takeover Rules) of the Company to approve the maximum potential shareholding of CWTL or any person acting in concert with it.

The Company will request a waiver in respect of Rule 9.1 from the Irish Takeover Panel subject to (b) and (c) above and is currently preparing a circular for approval by the Irish Takeover Panel to issue to shareholders of the Company.

The Subscription is conditional, *inter alia*, on the following (the "**Conditions**");

- (a) the proceeds of the Subscription having been received by the Company prior to Admission;
- (b) The Company, CWTL and Strand Hanson Limited, the Company's Nominated Adviser, entering into a Relationship Agreement, in a form customary for a transaction of this nature which will include the right to nominate two non-executive directors to the Board of EQTEC. Any such appointments will be subject, *inter alia*, to the satisfactory completion of customary due diligence by the Company's Nominated Adviser;
- (c) Admission of the Subscription Shares becoming effective by 15 April 2025 (or such later time and/or date as the Company may determine, but not later than 8.00 a.m. on 18 April 2025);

Amendment of the Secured Term Loan Facility

The Company has also agreed with YA II PN Ltd and Riverfort Global Opportunities PCC Limited (the "**Secured Lenders**") to revise the existing loan terms (as detailed in the Company's announcement of 23 May 2024) as follows:

- The Maturity Date has been extended from 22 May 2026 to 30 December 2027.
- The removal of the mandatory prepayment obligations.

A fee of 3% of the outstanding balance on the Secured Term Loan Facility, which as of 31 March 2025 stands at £5.10 million, will be paid to the Secured Lenders, no later than 30 June 2025. To the discretion of the Company, this fee could be paid in cash or new Ordinary Shares at 0.85p.

Novation of existing loan agreements and debt

The Company has been notified that CWTL has also finalised a commercial arrangement with the Secured Lenders which will result in the Secured Lenders transferring the rights and obligations of all Loan Agreements and debt in respect of the Company to CWTL by way of novation ("**Novation**"). Completion of the Novation will occur on the payment of agreed consideration by CWTL to the Secured Lenders on or before 30 June 2025. As part of the commercial arrangement all existing warrants issued to the Secured Lenders are to be cancelled on completion of the Novation and the Secured Lenders have agreed to a standstill period on any payment obligations and any conversion rights under all Loan Agreements until 30 June 2025.

As part of the Novation process the Company will enter into an updated debenture and guarantee with CWTL, in the same form as the agreements entered into with the Secured Lenders.

Investment and acquisition of interest in Containerised Syngas to Liquid Fuels Pilot Plant

The Company has agreed with CGTL, following receipt of the Subscription proceeds, to invest £250,000 towards the completion of a mobile Containerised Syngas to Liquid Fuels Pilot Plant, which includes a syngas upgrading unit and a single-channel Fischer-Tropsch reactor (the "**Asset Purchase**"). The unit is designed to be mobile and ready to be transported to the LERMAB R&D Facility, where it will be used for trials to produce synthetic crude from syngas generated using EQTEC's advanced gasification technology.

To date, over £3.8 million has been invested by CGTL in the development and fabrication of the unit. Through this investment, EQTEC will acquire a 10% interest in the asset, strengthening its position in the development of sustainable synthetic fuel solutions.

CWTL Share Transfer

On 10 January 2024 the Company's wholly owned subsidiary EQTEC Holdings Limited ("**EHL**") acquired 100 ordinary shares of £1 each in the capital of CWTL. CGTL owned the other 100 shares in CWTL making it and EHL joint 50% shareholders.

On 9 April 2025 to facilitate the Subscription, EHL transferred its 50% shareholding at its original value back to CGTL such that it is now the sole owner of CWTL (the "**CWTL Share Transfer**")

Related Party transactions

The Subscription, the Asset Purchase and the CWTL Share Transfer are together the "**Transactions**". Prior to 8 April 2025, CGTL was a 50% joint venture partner in CWTL together with the Company. In addition, Mr David Palumbo, a director of EQTEC plc, is also a director of CWTL. CGTL and CWTL are therefore considered related

parties as defined in the AIM Rules.

Accordingly, the Independent Directors of the Company, being the Directors other than Mr Palumbo, having consulted with the Company's Nominated Adviser, Strand Hanson Limited, consider the terms of the Transactions to be fair and reasonable insofar as the Company's shareholders are concerned.

Admission and Total Voting Rights

Application will be made to the London Stock Exchange for admission of the 176,470,588 Subscription Shares to be admitted to trading on AIM ("**Admission**"). It is expected that Admission will become effective and that dealings in the new Ordinary Shares on AIM will commence at 8.00 a.m. on or around 15 April 2025.

The Subscription has been conducted utilising the Company's existing share authorities. The Subscription Shares will rank *pari passu* in all respects with the Company's existing Ordinary Shares.

Following Admission, there will be 611,245,373 Ordinary Shares in issue. The Company holds no Ordinary Shares in Treasury. This number may be used by shareholders as the denominator for the calculation by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

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

ENQUIRIES

EQTEC plc David Palumbo	+44 20 3883 7009
Strand Hanson - Nomad & Financial Adviser James Harris / Richard Johnson	+44 20 7409 3494
Shard Capital Partners LLP - Broker Damon Heath / Isabella Pierre	+44 20 7186 9927
Fortified Securities - Broker Guy Wheatley	+44 20 3411 7773
Global Investment Strategy UK Ltd - Broker Samantha Esqulant	+44 20 7048 9045

About EQTEC

EQTEC is one of only a few circular economy technology providers able to address the dual challenges of growing quantities of global waste and the growing demand for energy and biofuels. EQTEC cleanly converts waste into a range of valuable commodities that support new energy and industrial infrastructure. With one of the world's most experienced thermochemical conversion technology and engineering teams, EQTEC provides bespoke waste management and new energy solutions through best-in-class innovation, infrastructure engineering and value-added services for developers, owner-operators and industrials.

EQTEC's end-to-end process solutions are in demand from around the world with highly efficient equipment that is modular and scalable from three tonnes of waste per hour. Its versatile solutions process dozens of varieties of feedstock, including plastics, mixed municipal waste, industrial waste and other non-recyclables, all with no hazardous or toxic emissions, producing a wide range of valuable commodities including synthesis gas ("**syngas**") electricity, heat and steam, synthetic natural gas, hydrogen, liquid fuels or other chemicals.

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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCVKLFBZLBBX