EQTEC™

Annual Report

2023

Syngas technology innovation for
sustainable energy and biofuels

Contents

Waste is a ubiquitous and limitless resource. EQTEC's mission is to cleanly and sustainably transform it into energy and biofuels that replace the world's fossil fuel legacy with a local-for-local, circular, renewable future.

Where there is waste, there is a potential for clean energy. EQTEC's patented and proprietary technology cleanly converts the widest variety of waste types to **syngas**, an intermediate fuel that enables production of the widest range of bioenergy and biofuels, including combined heat and power (CHP), renewable natural gas (RNG), hydrogen, liquid fuels including sustainable aviation fuel (SAF) and other chemicals such as bioethanol and biomethanol.

Directors and advisors

IAN PEARSON
Non-Executive Chairman

DAVID PALUMBO
Chief Executive Officer

DR. YOEL ALEMÁN MÉNDEZ
Chief Technical Officer

JEFFREY VANDER LINDEN
Chief Operating Officer

TOM QUIGLEY
Non-Executive Director

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The Company is incorporated in Ireland with registration number: 462861

Strategic pivot at a glance

	From 2023	To H1 2024 (est.)
Share of revenue		
Development	42%	-
Engineering and equipment	58%	85%
Operations support	-	15%
Revenue		
Revenue-earning engagements	3	8
H1 revenues	€0.1 million	€1.4 million
Business development		
Operating plants	1	2
Plants under construction	2	3
Plants under design	2	4
Business operations		
Non-engineering staff	14	6
ISO certifications	-	3
Monthly run costs (index 2023)	-	-21%

Financial performance

- **Revenue €2.5 million**
  (FY2022: €8 million)
- **Cash €0.3 million**
  (31 December 2022: €1.7 million)
- **Net assets €21.2 million**
  (31 December 2022: €37.1 million)

Reference plants

- **EQTEC Italia MDC**
  Operational from 08 March 2023
- **Croatia Waste-to-Syngas**
  Closing funding in 2024
- **France Mixed Waste-to-Syngas**
  Sold to Idex; FEED completed

Other projects

- **Gardanne (France)**
  €1 million public grant; pre-FEED completed
- **SEL Hawaii (USA)**
  FEED in 2024 toward build in 2025
- **BMEC (USA)**
  Contract December 2023 worth c. €10 million

Driving the pivot

- **ISO certification**
  Achievement of 9001, 14001, 45001
- **Strategic focus**
  Withdrawal from non-core, high-risk projects
- **Cash management**
  Opex rationalisation; pursuit of accounts receivable

Strategic reports

Crystal clear skies and clean air in California's Sierra will remain so even with integration of EQTEC-enabled forestry waste-to-power (and biochar) plants there.

Chairman's statement

IAN PEARSON
Non-Executive Chairman

27 June 2024

INTRODUCTION

As the Company's management heralded at the end of the previous year, 2023 was a year of strategic transition for EQTEC and one I believe puts the Company on a firmer footing for growth in years to come, following the unexpected tightening of capital markets and a period of growing ambivalence in some markets about the future of cleantech. In the first half of 2024, the future is again looking bright for EQTEC.

And this will be a different EQTEC. The Company will not own its own projects or hold project-wide risks or liabilities, but it will continue driving R&D and innovation with syngas technology and will serve the leading Industrial, Utility and Waste Management players to drive awareness of its unique capabilities and support adoption of its technology and growth of its business.

The Company's strategic transition was announced by management in 2021 and accelerated in 2022, but it was only in 2023 that the biggest decisions and hardest announcements hit home. I am pleased with the brave decisions taken by management and satisfied with their execution thus far, but the Board remains keenly aware that the Company's share price has suffered through this strategic 'pivot'. More work remains to restore the market's confidence in EQTEC's unique technology and in the newly emerging business platform that will bring it to the world.

INDICATORS OF CHANGE

The Company's management accounts for 2024 appear very different to those from previous years. First, there is a bias toward consistent and reliable revenue generation, with a healthy conservatism challenging every revenue stream. The Company is no longer dependent on specific projects, but focuses on revenues *per se*; whether clients drive pace and quality through their projects is less a concern than the matter of ensuring that EQTEC is paid on time and in full for all the client work it does at every stage of the project.

Second, to complement the stringent revenue delivery and recovery focus, management has executed successive reviews of operational expenditure and is now completing its third round of reductions since Q3 2023. The operating model of the business is being refined to minimise non-core activity, with a focus on getting EQTEC technology to market at the lowest possible cost.

Third, the Company is targeting margins. In years past, EQTEC pursued growth through revenue capture and inclusion in a large number of projects—a sort of early-stage pursuit of market share. Now, however, in a world where cash is dearer, every revenue opportunity is an opportunity for cash, if only the business protects that cash. From 12% gross margins in 2020, the Company achieved a 15% gross margin in 2023 and is targeting mid-20% for 2024. Healthier margins will create more fertile ground for growth in coming years.

Chairman's statement

SHEDDING BALLAST

The Company's balance sheet at the end of 2023 indicates a smaller, more focused Company. The management, supported by the Board, took the brave decision to impair several of its assets and write down liabilities that were holding the business back from its intended future as a pure-play technology company. These were non-core assets, usually projects that did not fit with the target business model or that were too large and unlikely to secure project funding in an environment characterised by higher costs of capital.

The updated balance sheet better reflects the streamlined business, built around a core of innovative design engineering and technology deployment into client projects held by others.

SHAPE OF THINGS TO COME

This 'asset-light' approach to business will put an emphasis on intellectual property that can be licensed to client plants running EQTEC technology, where highly talented and uniquely qualified EQTEC designers and deployment engineers support the integration of EQTEC know-how into future waste management and new energy infrastructure. The Company will generate one-off revenues through professional services for design, build and commissioning of plants, and eventually, recurring, annual revenues through license fees for use of EQTEC proprietary technology.

On paper and throughout this report, 2023 might appear to be a year we would like to forget, with disappointing revenue results and a series of asset impairments. However, I believe it might ultimately be the year that EQTEC and its shareholders remember most, as the one that reset the business for successful growth as a key player in clean energy and waste management of the future.

EQTEC staff meeting in Barcelona, one of the Company's regular, all-staff Town Halls.

> "The updated balance sheet better reflects the streamlined business, built around a core of innovative design engineering and technology deployment into client projects held by others."
>
> **IAN PEARSON**
> Non-Executive Chairman

EQTEC track record

innovating in gasification since 1997, with a range of patented and proprietary differentiators

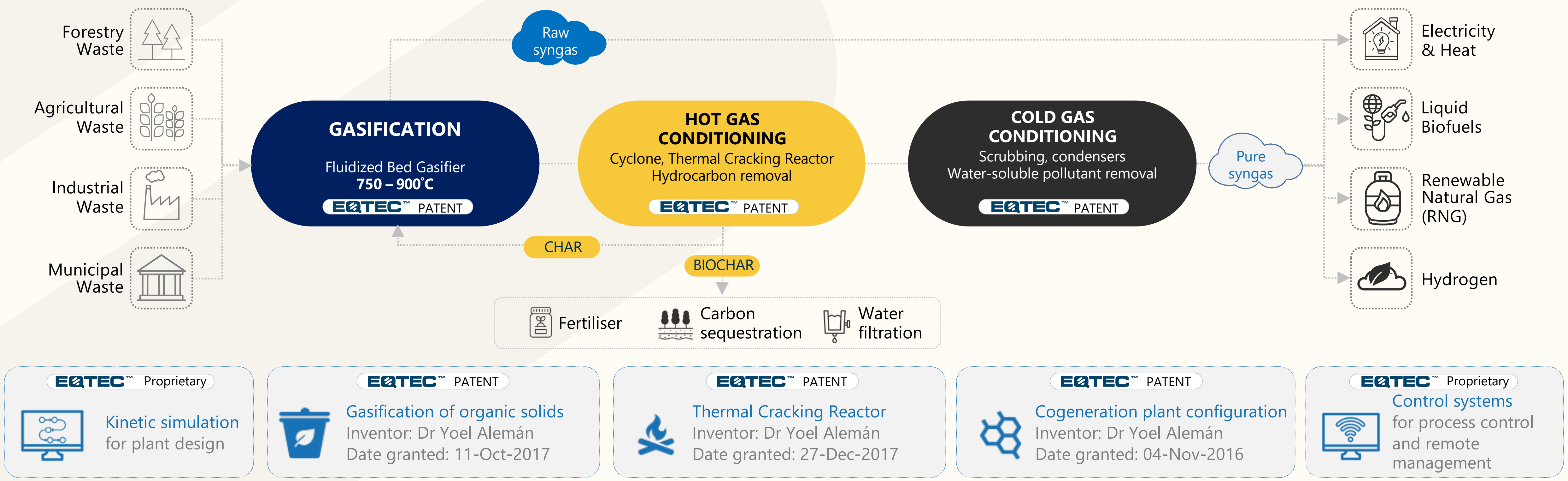
EQTEC is a technology innovation and engineering company at heart and a world leader in gasification. The Company's chemical process engineers solved the notorious 'tar problem' well over a decade ago and nearly 20 years ago developed its kinetic model that recalculates complex reactions inside the gasifier every three microns, for a highly accurate sense-and-respond capability for modelling the gasification process during design, as well as for managing the gasification process throughout live operation of EQTEC-equipped plants.

The Company currently maintains four patents for its gasification process design and specific vessels deployed in that process. Further its, proprietary modelling and control systems are all programmed in house, ensuring that the process EQTEC designs is the one that becomes live and operates consistently and effectively throughout the lifetime of its syngas plants. The Company anticipates pursuing several more patents in the near future, for more elements of its unique gasification capabilities and across multiple geographies.

EQTEC has commissioned six plants since 2010, two of which are full, end-to-end mini-plants for R&D and two of which are currently decommissioned. Two other plants are close to being commissioned and fully operational and several others are due to be operational within the coming years.

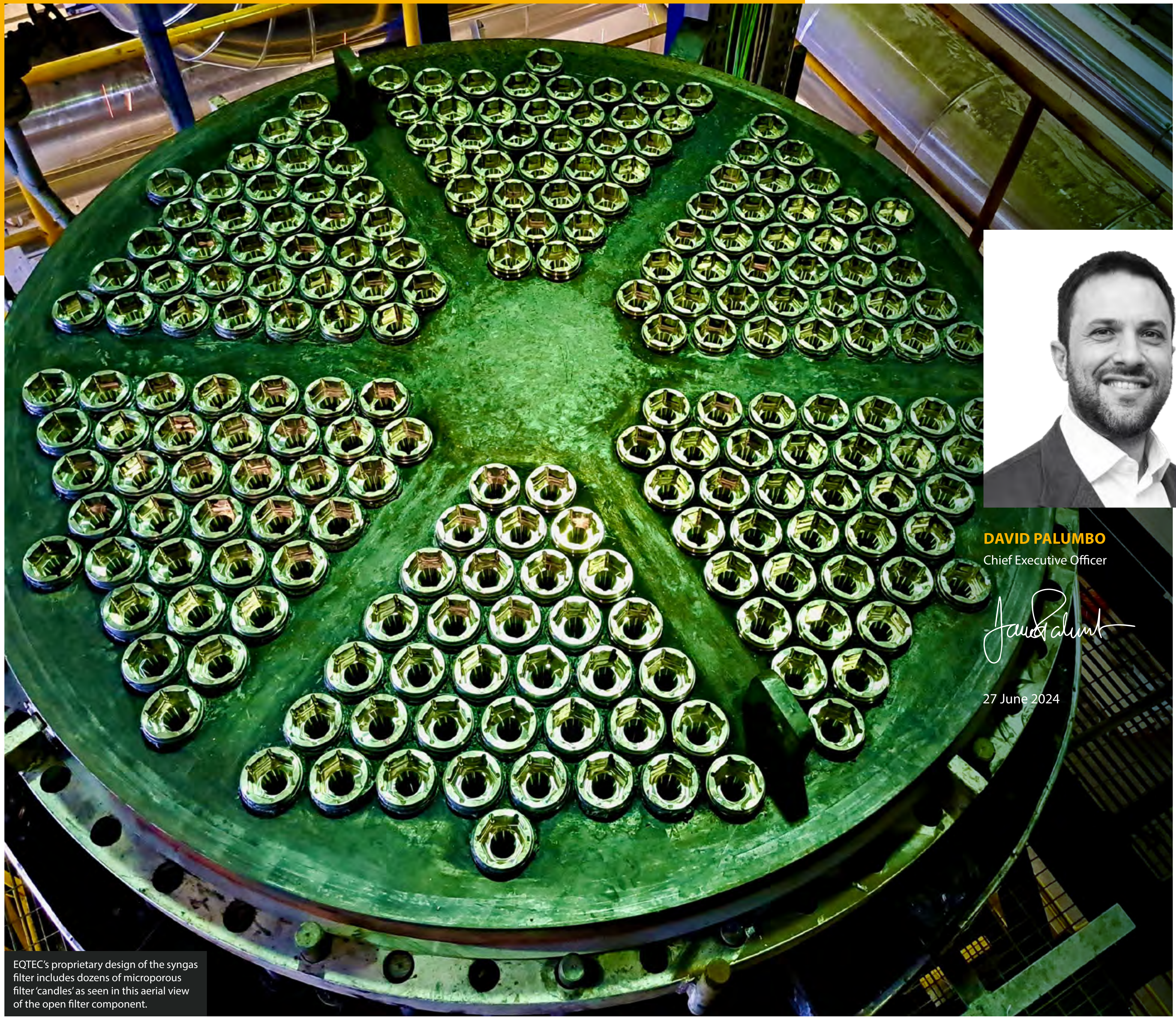
At the heart of the challenge for so many of the world's new infrastructure for waste management and energy transition lies the problem of managing carbon and other emissions so that an endless supply of waste can become a clean, sustainable substitute for fossil fuels. EQTEC is unique in its ability to offer truly clean waste conversion for the highest quality syngas to support the world's energy plants of the future.

EQTEC Proprietary, End-to-End Process Design, Integration and Management



PLANT	LOCATION	WASTE FEEDSTOCK	CAPACITY (INPUT)	GASIFICATION TYPE	CAPACITY (OUTPUT)	OFFTAKE APPLICATION	STATUS
U. OF EXTREMADURA	Spain	Biomass	50 kg/hr	Air-blown	-	(R&D plant)	Live (since 2010)
MOVIALSA	Spain	Agricultural	3 tonnes/hr	Air-blown	5.9 MWe	CHP	Live (since 2011)
U. OF LORRAINE (LERMAB)	France	Biomass, RDF	100 kg/hr	Air-blown & Steam-oxygen	-	(R&D plant)	Live (since 2015)
EQTEC ITALIA MDC	Italy	Agricultural & forestry	1+ tonne/hr	Air-blown	1.0 MWe	CHP, biochar	Start-up (2015); Re-start (2023)
KARLOVO	Bulgaria	Agricultural	4 tonnes/hr	Air-blown	5.0 MWe	CHP	Start-up 2015 (now decommissioned)
BELISCE	Croatia	Industrial	2 tonnes/hr	Air-blown	1.5 MWe	CHP, biochar	Start-up (2016); Re-start (2025)
NORTH FORK	USA	Forestry	3 tonnes/hr	Air-blown	2.0 MWe	CHP, biochar	Completing construction
AGRIGAS	Greece	Agricultural	500 kg/hr	Air-blown	0.5 MWe	Electricity	Under commissioning
GRANDE-COMBE	France	Mixed wood & RDF	8 tonnes/hr	Air-blown	6.5 MWe	CHP	Completing development
BLUE MOUNTAIN	USA	Wood	3 tonnes/ hr	Air-blown	3.0 MWe	CHP, biochar	Completing development
GARDANNE	France	Wood	9 tonnes/hr	Steam-oxygen	3,000 Nm^3	RNG	Under development
LIMOGES	France	Wood	6 tonnes/hr	Steam-oxygen	2,500 Nm^3	RNG	Under development
COLIBRI PLANTS (x4)	Italy	Mixed	14 tonnes/hr	Steam-oxygen	8,000 Nm^3	RNG	Under development
SIMONPIETRI ENTERPRISES	USA	Mixed	3 tonnes/ hr	Air-blown	3.0 MWe	CHP	Under development
TRESCA ENERGÍA	Spain	Biomass TBC	6 tonnes/hr	Steam-oxygen	2,500 Nm^3	RNG	Under development

"EQTEC is unique in its ability to offer truly clean waste conversion for the highest quality syngas to support the world's energy plants of the future."



EQTEC's proprietary design of the syngas filter includes dozens of microporous filter 'candles' as seen in this aerial view of the open filter component.

Chief Executive's report

DAVID PALUMBO
Chief Executive Officer

27 June 2024

INTRODUCTION

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. Crucially, we weathered a storm of interest rate increases, geo-political tensions and shifts in investor sentiment over cleantech investments.

As trying a year as it was for the Company, we ended 2023 with reasonable revenues of €2.5 million, with 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). We witnessed other companies in the sector struggling to remain viable, with some of them exiting or relocating to more fertile markets. EQTEC endured, and now in 2024 we see our recovery starting to unfold.

2023 was a year of business transition for EQTEC. 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. We took some difficult and painful decisions in 2023, as our updated balance sheet attests, but these decisions have reshaped the business for more focused, reliable and sustainable growth starting in 2024.

SUSTAINING INNOVATION

EQTEC is a technology innovation company and its R&D activities continued throughout 2023 on the basis of considerable R&D investment efforts made by the Company up to the end of 2022. The Company completed commissioning of its EQTEC Italia MDC reference plant, leveraged the advanced gasification capabilities at its R&D facility at the University of Lorraine's LERMAB facility in France and exercised its relationships with technology partners on project work.

In March 2023, the Company completed commissioning of its first co-owned reference plant, the EQTEC Italia MDC in Tuscany, Italy. The 1 MWe plant exported its first electricity to the national grid on 08 March. As announced in May 2024, the plant experienced difficulties establishing a sustainable team throughout most of 2023, making continuous operations of the plant difficult to achieve. However, with the stabilisation of the team and management by the end of 2023, the plant is now working through Year 1 ramp-up, optimisation and active maintenance. The Company expects the plant to achieve stable, continuous operations in 2024. Throughout 2023 and into 2024, the plant has supported a number of visits by prospective clients, some of which have already led to contracted work for EQTEC.

Also in 2023, we applied the steam-oxygen capabilities installed at LERMAB in late 2022 to a series of tests as part of feasibility work toward a large-scale RNG project supported by the French national government. Importantly, the tests confirmed that results achieved with EQTEC steam-oxygen gasification technology at the LERMAB facility could be directly applied at commercial scale for plants seeking to produce advanced biofuels. This indicates that the LERMAB facility is a smaller-scale facsimile of a full-scale EQTEC-enabled plant and therefore highly valuable in the processes of plant design and project financial modelling. Additionally, the tests further validated the highly accurate nature of EQTEC's proprietary kinetic process design model. From an R&D perspective, this work in turn will support a number of other advanced biofuels projects in France and beyond.

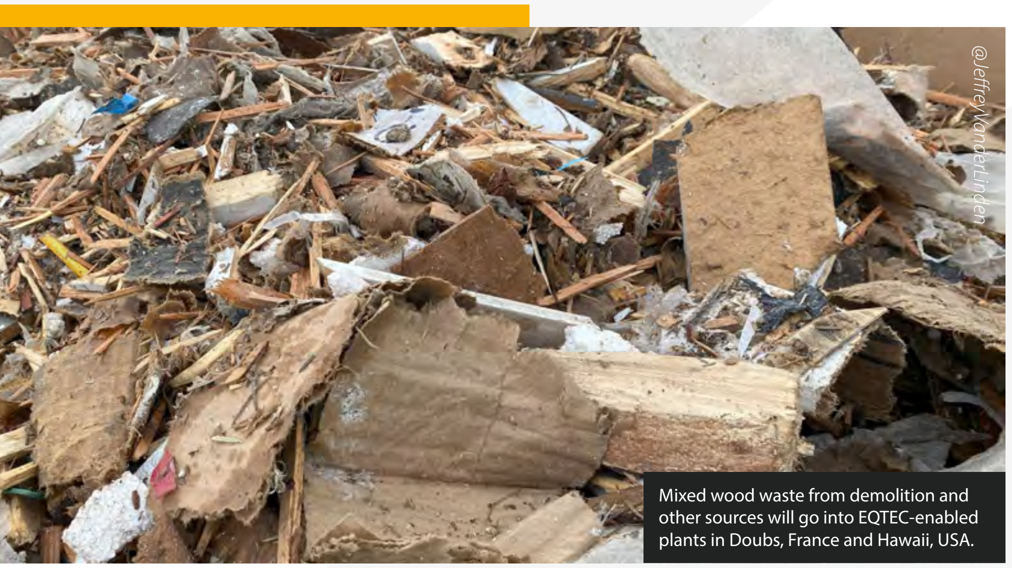
Finally, EQTEC continued working with technology partners, including Wood, whose VESTA methanation technology is a key part of the EQTEC proposition for RNG opportunities across France and the USA. Once France announces its RNG tariffs, EQTEC expects to be in a leading position in that country to exploit its considerable expertise with RNG from syngas to the benefit of a number of customers and communities in that country and others across Europe and around the world. Also in 2023, and based on a collaboration announced in 2022, EQTEC formed with gas-to-liquids expert CompactGTL a formal, 50/50 joint venture to bring EQTEC into the market for liquid fuels, including transport fuels. The JV partners are in 2024 undertaking pilot work at LERMAB on an integrated, syngas-to-liquid solution and pursuing funding for a full-scale reference plant for that solution.

BUILDING THE BUSINESS

EQTEC was awarded five new pieces of work in 2023, achieved three ISO certifications and launched three collaboration agreements with new routes to market in Italy, Ireland and Spain.

In France, the Company won a grant of €1 million supplied by the national government through the Provence-Alpes-Côte d'Azur regional authority, for a feasibility on a prospective site in Gardanne, to replace legacy fossil fuel-based and incineration-based solutions there. The Company mobilised a team of experts including S3D Ingénierie, Suez Group, Sofresid Engineering and Wood to collaborate on a holistic feasibility report and early-stage engineering. The feasibility work completed in September 2023 and pre-front-end engineering design (pre-FEED) continued into early 2024, toward a high-level design for a mid-sized waste wood-to-RNG plant that could be built at Gardanne or another site.

> **EQTEC was awarded five new pieces of work in 2023, achieved three ISO certifications and launched three collaboration agreements with new routes to market in Italy, Ireland and Spain.**
>
> **DAVID PALUMBO**
> Chief Executive Officer



Mixed wood waste from demolition and other sources will go into EQTEC-enabled plants in Doubs, France and Hawaii, USA.

As an important indicator of the Company's move away from owning and developing projects, the Company successfully sold its Grande-Combe project in Doubs, France to Idex. In addition to the sale of the project, the Company won from Idex a contract for front-end engineering design (FEED) for the 6.5 MWe syngas-to-electric power plant that will be fuelled by mixed feedstock of wood waste, contaminated wood waste and refuse-derived fuel (RDF) from municipal solid waste (MSW). EQTEC completed the FEED in December 2023 and expects Idex to place its first equipment order in the second half of 2024.

Extending its relationship with Idex, the two companies together won a competition for a project in Limoges, Nouvelle-Aquitaine, France. The project, to be developed by Idex with engineering and technology from EQTEC, is expected to result in a plant able to convert up to 45,000 tonnes per year of mixed waste, including contaminated wood waste, into up to nine million normal cubic metres per year of RNG. Continuation of this project, as with others in France, remains dependent upon France's release of RNG tariffs, which has been delayed for some time but is expected in 2024.

In the USA, the Company was awarded two contracts for wood waste-to-electrical power facilities, one in Hawaii, the other in California. The Hawaii facility, under development by Simonpietri Enterprises, would convert approximately 15,000 tonnes per year of wood waste into syngas, which in turn would be used to generate up to 2 MWe to power an organic fertilizer production facility and demolition waste sorting and recycling operation. The California facility, under development by Phoenix Biomass Energy Inc., would convert approximately 25,000 tonnes per year of wood waste into syngas for production of c. 3.0 MWe and c. 2,400 tonnes per year of biochar.

In line with EQTEC's dedication to engineering excellence, best-in-class gasification process design and technology innovation, the Company prepared for and successfully achieved certification against three groups of standards set by the International Organisation for Standardisation (ISO), comprising ISO 9001 for Quality Management, ISO 14001 for Environmental Management and ISO 45001 for Occupational Health & Safety. The certifications support the Company's execution capabilities and establishment of a standard platform for more rapid growth and scale in future.

Finally, the Company signed collaboration agreements with three go-to-market partners. First, Italy-based Poseidon LNG Hub Srl is a sister company

Partner spotlight

TRESCA ENGINEERING SOLUTIONS

Francisco Carro
Chief Executive Officer

Tresca Energía S.A., based in León, Spain, is an engineering, project development and project management company with the mission of supporting its clients in responding to industry challenges, by anticipating and managing change. Founded in 2001, Tresca has several offices in Spain, with projects across Europe, South America, Africa, the Middle East and Asia.

Tresca's clients include investment funds, large-scale industrials, chemical & pharmaceutical companies, owner-operators in the energy sector, oil & gas companies, glass & ceramics companies, cement & mining businesses, metallurgy and steel manufacturers, hydrogen producers and biotech companies. Tresca's services include feasibility work, project development, financial modelling, procurement management, project management, balance of plant engineering, site and construction management, commissioning services and a range of digital technology services across the project lifecycle.

In recent years, Tresca has become one of the main actors in terms of projects associated with decarbonisation and new energy technologies on the Iberian Peninsula, based on its particular expertise with designing and developing plants that extract methane from syngas to produce biomethane or RNG or reform it into methanol. This focus is especially relevant for EQTEC, whose advanced syngas technology produces an especially high-quality syngas that can maximise the methane component from a wide variety of feedstocks.

EQTEC and Tresca will collaborate on opportunity generation, but more specifically on qualification, development and commissioning of advanced biofuels plants that utilise EQTEC's patented and proprietary syngas technology.

of Belleli Group, an energy technology project developer with extensive global expertise in engineering, construction and operations of large petrochemical and power plants, with interests in the LNG, RNG and green fuels sectors. Second, Domi Ost Limited of Ireland is an Irish development and project management company dedicated to bringing advanced biofuel production to Ireland, other European markets and the UK. Third, Tresca Energía S.A. of Spain is an engineering group, infrastructure developer and project manager with a particular interest in applying EQTEC technology to advanced biofuels solutions. All three have one or more specific projects in view that the partner is developing and driving with the intent of engaging EQTEC as core technology provider.


The existing plant at Grande-Combe in Doubs, France will be retrofit with EQTEC technology. FEED work is completed and construction work could commence as early as end 2024.

EXECUTING THE PIVOT

In parallel with its R&D and innovation work and with building the business, the Company reduced its operational expenditure by 20%, refinanced the Group and the EQTEC Italia MDC and maintained business continuity through its pivot out of development-led revenues to services- and equipment-led revenues.

In addition to selling the Grande-Combe project to Idex, EQTEC discontinued its Billingham, UK project and took legal action against Logik Developments in the UK for unpaid fees and loan repayments due for work on the Deeside, UK project. In early 2024, it recovered a small amount from monies paid by the Company but unused by its grid connection supplier at Billingham, and on Deeside it expects to recover £2 million (c. €2.35 million) from a settlement with Logik Developments.

With this annual report, the Company is applying impairments to a number of its legacy projects including the Billingham project, the North Fork project in California, USA, the Southport and Deeside projects in the UK. Additionally, impairments are applied to outstanding debts owed the Company by MetalNRG and ewerGy GmbH. These write-downs indicate that even if the company continues to pursue recovery of these monies, it chooses to focus its management effort on growing the business on the basis of a stronger portfolio of work and a transitioned approach toward its target model of pure-play technology provider and licensor.

The Company raised £3.5 million in March 2023 to support its working capital through transition and followed up with two rounds of working capital reductions to further support business continuity. In Q4 2023, the Company negotiated a financial restructuring with its lenders, which included the provision of a new syndicated facility of up to a total of £3.0 million of financing for the Company, with an initial, advance of £950,000. In May 2024, the Company also refinanced the historic secured debt facilities with its main lenders, with a new a 24-month bullet term loan, with no fixed payments during the period. The refinance evidences the increased confidence from EQTEC secured lenders in the business model of the Company through the implementation of its strategic pivot.

Additionally, the Company and its fellow shareholders helped EQTEC Italia MDC Srl secure a loan facility of €2.9 million to refinance that business through its first year of operation and into steady, operational continuity. The facility has a term of 48 months and is provided by Banca del Fucino S.p.A. a historic private banking group based in Rome. The loan is guaranteed up to 80% by MedioCredito Centrale S.p.A., which is controlled by the Italian Ministry of Economy.

Throughout 2023, the Company refocused its engineering capabilities on paid work with strong contracts with companies able to pay their bills on time and in full. The Company also reviewed and updated its rate card for engineering services and tested it with current and prospective buyers, bringing the Company's rates more closely in line with other innovation companies. The updated rate card will help EQTEC deliver healthier margins from its services work.

FIT FOR THE FUTURE

The target model set in 2021, followed by the strategy developed in 2022 and the decisive decisions enacted in 2023 have reset the Company's focus and provided it a stronger platform for future growth. Starting in Q4 2023 and continuing into 2024, we now see several indications that the new approach to business is working:

- **Revenues.** Starting in Q4 2023 and continuing through Q1 2024 and into Q2 2024, we are delivering steady, month-on-month revenues, out-delivering what we forecast. We are targeting specific services at specific, client projects during specific stages of their project lifecycles. If one client project slows, we reprioritise and shift our focus and resources toward others. As we gradually allow our list of client projects to grow again, this risk of project dependency will be further mitigated. We out-delivered versus our forecasts for Q1 and Q2 2024 and we are forecasting continued, strong, steady revenue in H2 2024, also adding some equipment sales, which deliver significantly larger numbers.
- **Margins.** Steady revenues from services, equipment and eventually licensing are the basis for profitability, but only if we protect our margins. Our reworked rate card for EQTEC engineers acknowledges that ours are not run-of-the-mill engineers but process engineers trained and capable with a unique and much sought-after technology. Additionally, we are continually reviewing our operational expenditures and take a zero-based approach to justifying any and all spend. As we grow, we will maintain this discipline and protect our margins.
- **Clients and routes to market**. We said we would 'pivot' away from the small, underequipped developers and contractors and move toward working with the biggest, the best and the best funded. In Europe, we are talking to at least half a dozen of the leading Utilities, and we are also working with a number of major Industrial businesses with interest in deploying our technology. We are also talking with Utilities who want to deliver EQTEC technology to their Industrial customers. In the US, we have the interest of some major players and will grow there in due course and in a measured way. In the meantime, we are mitigating the risk of working with small players by installing high quality project management and ensuring our contracts protect EQTEC from holding any liability on the project beyond our direct scope and capability.

EQTEC is now showing much stronger signs than ever that it will get to profitability without much additional investment. Our longer-term forecasts remain strong and we intend to drive success through our transitioned business model.. With these improvements, we see EQTEC getting back to growth, now on a solid and resilient base, from which to build the global scalable business our technology deserves.

Partner spotlight

Idex is a full-service owner-operator and energy provider that develops, designs, finances, builds and operates local energy and carbon-free infrastructures, which provide renewable heat and local electricity supply to buildings, cities & industry.

Founded in France in 1963, now with over 6,300 employees and revenues of €2.3 billion in 2023, Idex is the only vertically integrated market operator delivering the complete value chain for local energy provision. The Group is involved in the production of thermal or electrical energy from local and low-carbon energy resources (geothermal, solar, biomass, waste), the distribution of this energy through district heating and cooling networks, to its final use in industrial, residential and tertiary buildings and other applications.

EQTEC and Idex were acquainted in 2020, when they together explored some of the largest and most complex of the projects in EQTEC's portfolio. In the same year that the French government made explicit its intent to move baseload power completely away from coal-based generation, EQTEC and Idex explored opportunities for joint work on biomass and non-recyclable waste conversion into a range of solutions for sustainable, combined heat and power (CHP), renewable natural gas (RNG) and other offtake applications.

At present, the two partners are collaborating on the Grande-Combe project in eastern France, a project Idex purchased from EQTEC in 2023 and for which front-end engineering design (FEED) was completed at the end of that year.

EQTEC R&D

at the University of Lorraine's LERMAB facility in Épinal, France

Yann Rogaume

Professor and Head of Research, LERMAB, Université de Lorraine

The ERBE (Équipe de Recherche sur la Biomasse Énergie) and LERMAB (Laboratoire d'Études et de Recherche sur le Matériau Bois) team and laboratory form a research centre at the Université de Lorraine built around EQTEC syngas technologies.

For the past 20 years, ERBE has worked on thermochemical conversion of biomass and waste-to-energy. The work has led to the team's developing greater understanding of precise mass and energy balances of a wide variety of waste types, including forestry, agricultural, industrial and municipal. This growing understanding of the performance of a wide variety of feedstocks in thermochemical processes has then been applied to optimisation of processes for energy efficiency and reduction of environmental impacts.

For the past 10 years, the team has worked with EQTEC to co-develop a gasification pilot plant based on EQTEC's bubbling fluidized bed Advanced Gasification Technology and especially, EQTEC's air-blown gasification capabilities for producing syngas for traditional, combined heat and electric power (CHP).

At the end of 2022, a wide range of new opportunities for both EQTEC and LERMAB was made possible with upgrade of the facility for steam-oxygen gasification, which supports advanced syngas applications. Now, beyond testing a wide range of waste feedstocks for combined heat and power (CHP) applications, we are able to also test for syngas that can support methanation for renewable natural gas (RNG), hydrogen separation, Fischer-Tropsch (FT) gas-to-liquid process for sustainable aviation fuel (SAF) and other liquid fuels and even transformation into chemicals such as methanol or ethanol.

Because the EQTEC installation at LERMAB is an end-to-end plant at small scale, rather than simply a test facility for part of the process, it is the ideal environment within which EQTEC can both test customer feedstocks and gasification processes as part of plant design and innovate its own technologies at speed.

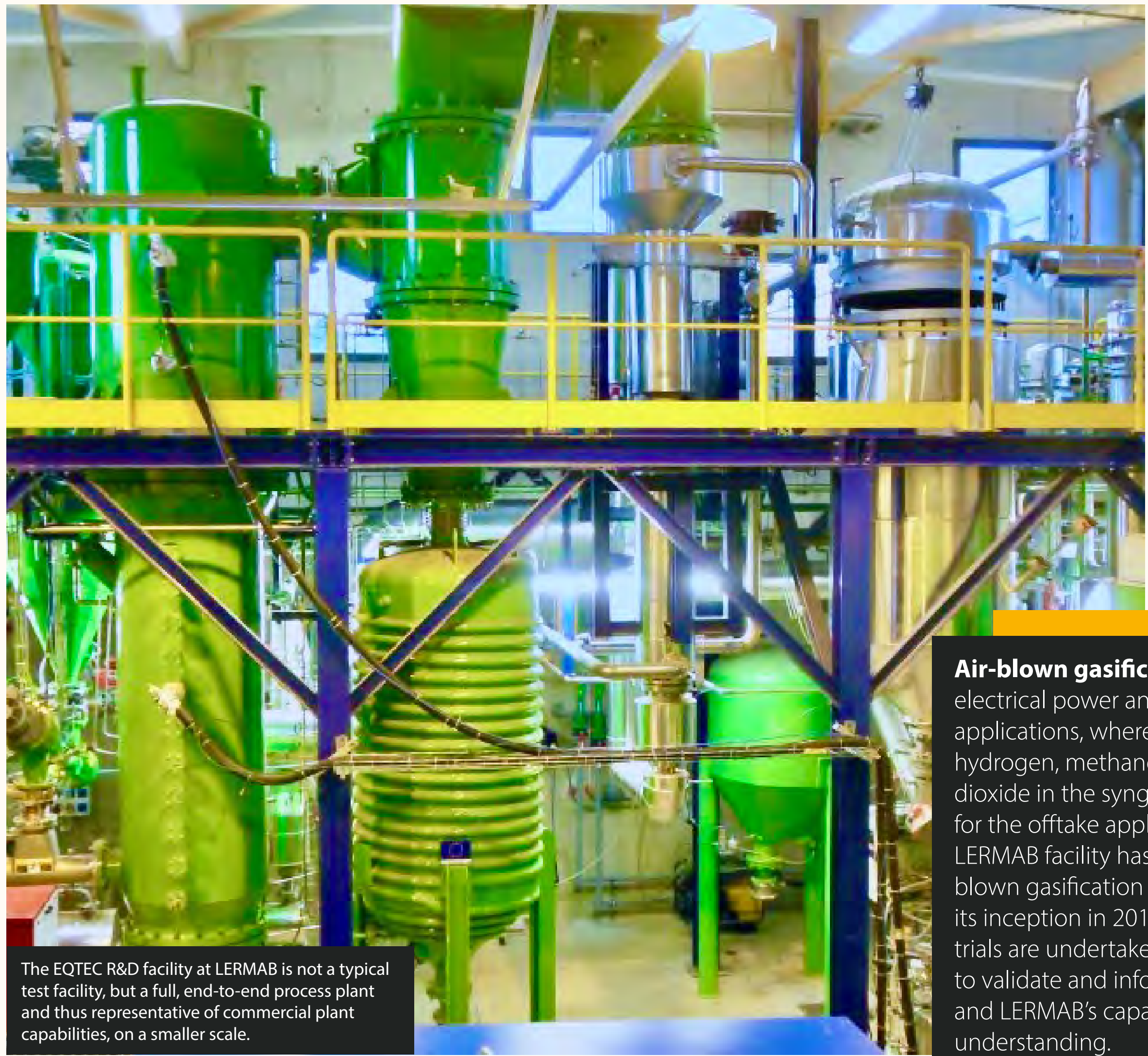
Today, this partnership between EQTEC and LERMAB allows both parties to further test the gasification of biomass and waste for different uses. Its annual schedule of tests and trials for EQTEC clients is always full, and every test further refines EQTEC's and LERMAB's capabilities and builds its library and readiness to accelerate designs for current and future plants.

STEAM-OXYGEN GASIFICATION TRIALS

One of the greatest challenges for steam-oxygen gasification is efficient distribution of oxygen across the fluidised bed in the gasification reactor. Historically, most trials of this approach by a range of research institutes and companies have failed to achieve this, resulting in lower feedstock conversion efficiency, a lower quality syngas

The EQTEC R&D facility at LERMAB is in increasingly active use, with air-blown gasification capabilities for CHP applications and steam-oxygen gasification capabilities for RNG, hydrogen, liquid fuel and other advanced applications.

> **"Beyond testing a wide range of waste feedstocks for combined heat and power (CHP) applications, we are able to also test for EQTEC syngas that can support methanation for renewable natural gas (RNG), hydrogen separation, Fischer-Tropsch (FT) gas-to-liquid process for sustainable aviation fuel (SAF) and other liquid fuels and even transformation into chemicals such as methanol or ethanol."**



The EQTEC R&D facility at LERMAB is not a typical test facility, but a full, end-to-end process plant and thus representative of commercial plant capabilities, on a smaller scale.

Air-blown gasification supports electrical power and thermal energy applications, where the ratios of hydrogen, methane and carbon dioxide in the syngas is less critical for the offtake application. The LERMAB facility has had EQTEC air-blown gasification capabilities since its inception in 2015, and numerous trials are undertaken every year to validate and inform EQTEC's and LERMAB's capabilities and understanding.

Steam-oxygen gasification supports chemical applications such as hydrogen, renewable natural gas (RNG) and other advanced biofuel applications, where optimisation of the hydrogen, methane and carbon dioxide mix ratios is critical for efficiency and productivity of the offtake.

and thus a lower production and/or efficiency of hydrogen, methane or other offtake.

The tests by EQTEC with ERBE have been very successful, with strong stability in fluidisation and gasification temperature, which together indicate highly efficient oxygen distribution and feedstock conversion.

Critically, syngas analysis indicates a clear increase in hydrogen concentration relative to that for air-blown gasification. The capability of EQTEC's advanced gasification technology to increase hydrogen production in this way indicates it is able to manipulate the thermochemical conversion process so as to maximise specific components of the syngas for greater production of advanced biofuels and chemicals.

These tests, analyses and data generated support refinements to EQTEC's proprietary process design, computational modelling and control systems in the interest of supporting a range of offtake applications.

AIR-BLOWN GASIFICATION OF RDF TRIALS

EQTEC's air-blown gasification process technology follows similar, successful tests with RDF completed by the Company and ERBE in 2021, as well as successful tests with contaminated plastics completed in December 2021.

The specific RDF used for the tests was provided by a prospective customer of EQTEC technology. Throughout the entirety of the air-blown gasification testing period, EQTEC technology provided consistently strong conversion results. The tests achieved their two primary goals of establishing and maintaining efficient gasification and smoothing the RDF feeding-in system.

The analyses and results they produced provide further validation of EQTEC's proprietary, kinetic simulation model and support continuous improvement of EQTEC's patented and proprietary process designs and control systems.

Partner spotlight

CT3 INGENIERÍA

Marian Sarti
General Manager

CT3 Ingeniería S.L. has worked closely with EQTEC for over 10 years, leading the mechanical engineering work for most of the Company's projects, past and present, including at North Fork in California, USA, Larissa in Thessalia, Greece, the EQTEC Italia MDC in Tuscany, Italy and all of EQTEC's work in France.

With EQTEC leading the process engineering at the core of EQTEC's solutions, CT3 provides world-class design, development and construction advisory services, including civil, mechanical and electrical engineering as well as Instrument & Control (I&C) and electrical services, across an increasing number of EQTEC-enabled plants.

Based in Madrid, Spain and operating for nearly 35 years, CT3 employs dozens of engineers deployed to EQTEC and a range of other new energy businesses, with the ability to scale up rapidly based on its Europe-wide database of engineering talent and flexible contracting arrangements. CT3 is increasingly a core part of EQTEC's platform for design, delivery and future growth.

Partner spotlight

Compact GTL

Anar Asgarov
Chief Executive Officer

Compact GTL, with headquarters in the UK, is one of the world's leading, small scale, modular gas-to-liquid (GTL) companies. Since its inception in 2006, CompactGTL has focused its technology development and commercialisation programme on the upstream oil & gas sector but now sees a huge opportunity to transition the company toward a focus on biogenic feedstocks such as residual biomass, refuse-derived fuels (RDF) and municipal solid waste (MSW) that can be turned into valuable and sustainable liquid fuels.

CompactGTL has developed a unique, patent protected and proven GTL process utilising Fischer-Tropsch (FT) catalytic conversion. The CompactGTL small-scale technology has been proven to work for conversion of gas into synthetic liquids at the point of production. The technology has powerful oil company endorsement by Petrobras, who successfully operated CompactGTL's Commercial Demonstration Plant for 3 years in Brazil.

EQTEC and CompactGTL established a collaboration framework agreement in 2022 and on the basis of business development and pilot work undertaken together under that agreement, announced in January 2024 a new, 50/50 joint venture (JV) now known as CompactWTL (for "waste-to-liquids"). The CompactWTL JV will pursue implementation of an integrated, waste-to-liquid fuel solution based on EQTEC syngas technology and CompactGTL gas-to-liquid conversion technology.

The partners intend that the JV become an innovator and licensor of technology for liquid fuels produced from waste, including transport fuels such as sustainable aviation fuel (SAF). The JV's immediate objective is formation of a consortium of investors to fund a commercial-scale, first-of-a-kind reference plant that proves the viability of an integrated technology solution.

Corporate governance statement

The Board of Directors is committed to the highest standards of corporate governance and has adopted the principles outlined in the Quoted Companies Alliance's Corporate Governance Code (the QCA Code).

Chairman Ian Pearson, in his capacity as an independent director, has ultimate accountability for application of corporate governance standards aligned to these principles, by the Board and across the Group.

STRATEGY AND BUSINESS MODEL

The Company's strategic intent is to be the leading technology innovator and licensing partner of syngas solutions for production of renewable, baseload energy and biofuels. The Company's business strategy focuses on development of the market for syngas solutions, positioning of EQTEC as a leading innovator within it and scale-up of the business through replicable solution design, integration and maintenance support for Industrials, Utilities, Municipalities and remote communities. Critical for success with this strategy are: (1) establishment of reference centres that demonstrate EQTEC solutions in live, commercial-scale plants; (2) partnership with the best developers, builders and operators of new energy infrastructure; and (3) continuous improvement and innovation of EQTEC core technology and customer solutions.

> **"EQTEC's success with waste-to-syngas conversion was established over a decade ago. The Company is focused now on developing a range of syngas-based solutions with advanced biofuels such as renewable natural gas (RNG), hydrogen and liquid fuels."**

EQTEC's syngas solutions target specific market segments for advanced waste-to-energy facilities

Industrial

- Syngas to electron or molecule
- Circular, industrial waste-to-value
- On-premise or near-premise

Reference: Belišće, Croatia

Utility

- Syngas to electron or molecule
- Decarbonisation of estate
- Future business models

Reference: Grande-Combe, France

Municipal

- Syngas to electron or molecule
- Municipal, mixed waste
- Circular and local

Reference: (work in progress)

Agricultural

- Biomass to syngas
- Remote, autonomous
- Circular and local

Reference: Gallina, Italy

Agrigas Energy S.A. plant nearly ready for commissioning in Larissa, Greece following remediation works in light of severe flooding in the area.

The Company generates income through three revenue streams:

- **Services.** This includes solution design and engineering, cost estimation, plant commissioning, performance testing and operational training & handover support to the plant operations team.
- **Equipment Delivery.** This includes equipment specification, contract manufacturing, quality assurance, logistics handling, and on-site inspection & construction advisory during plant build.
- **Licencing and Support.** This includes provision of IP rights with data-based monitoring, ongoing training & support for operations, extended maintenance support or other live plant support.

Given that the Company has a growing but relatively small number of plants in operation, current revenues are primarily from Services and, increasingly, Equipment Delivery. As more plants applying EQTEC technology come online, the Company anticipates growing revenues from Licensing and Support.

EQTEC technology is advanced gasification technology. Gasification has been well established for decades in the fossil fuel industry for conversion of homogenous fuel with high-calorific value such as coal into a synthesis gas (syngas) to be applied largely in industrial process such as steel or concrete manufacturing. However, conversion of often heterogenous biomass, industrial waste or municipal waste into syngas has been a challenge for aspiring companies in the waste management and clean energy sectors. EQTEC's success with waste-to-syngas conversion was established over a decade ago. The Company is focused now on developing a range of syngas-based solutions with advanced biofuels such as renewable natural gas (RNG), hydrogen and liquid fuels, to add to its existing solutions for electrical power generation, thermal energy generation and biochar production.

The Company's solutions are defined by the overall objectives for the plant under development by a customer. Specifically, this includes the size, location, local community and the type of biomass or waste conversion targeted. For example:

- an Industrial customer might target an on-premises facility, right-sized to its forecast volumes of industrial waste and able to generate sufficient energy to power its on-site production processes
- a Utility customer might target decarbonisation of an existing, legacy power plant with augmentation of that plant with an EQTEC syngas solution that supports gradual transition from the legacy to future infrastructure
- a Municipal client might see the potential for eliminating transport of municipal waste over distance, by building a right-sized EQTEC facility on the site of its local waste management centre, to eliminate waste locally and convert it into a valuable source of energy for the local community.

The Company recognises patterns in requirements from customers and seeks to establish a limited catalogue of solutions that appeal across these sectors and allow the Company to scale its licensing business.

EQTEC's technologies are in demand from markets around the world and can be applied equally well to Industrial, Utility and other customers in any of those geographies. On the other hand, supply market differences and tariffs, incentives and regulatory regimes make some markets more attractive to the Company than others. The Company continues to review the changing conditions across markets and to prioritise the application of its limited resources to the most attractive markets. As the Company grows, it looks forward to making its technologies available to more customers in more markets.

In the near term, the Company is focused on establishing credibility with target customer segments through its reference plants and with its growing, reliable partner network. The Board believes that near-term shareholder value will be delivered through greater market recognition and an increasing market capitalisation as the Company executes its business strategy.

EQTEC plc is quoted on the AIM market of the London Stock Exchange (LSE), bears the Green Economy Mark awarded by the LSE, and trades as AIM:EQT.

STAKEHOLDER RESPONSIBILITIES

EQTEC's technology and services have a positive impact on societies, economies and the environment. We strive to deliver sustainable outcomes for businesses and communities through use of our technology, and to always deliver to the highest environmental, regulatory and business standards and practices.

Through transforming non-recyclable wastes into clean syngas for application to baseload energy and biofuels, we reduce the need for less environmentally friendly methods such as incineration and landfill. As a result, EQTEC solutions will contribute substantially to reduction of greenhouse gas (GHG) emissions and thus to meeting local and global Net Zero targets. Because EQTEC's solutions support autonomous plants of small, medium or large scale, we also support localised power or biofuel production in remote locations, thus supporting the UK's levelling-up agenda and similar agendas for energy security and independence.

EQTEC technology supports plants built where the waste is located, to minimise transport. EQTEC's clean technology supports environmentally sustainable waste management and energy generation in the most remote locations.

Corporate governance statement

In 2023, the Company successfully achieved certification against three groups of standards set by the International Organisation for Standardisation (ISO): ISO 9001 for Quality Management, ISO 14001 for Environmental Management and ISO 45001 for Occupational Health & Safety.

The Board recognises that the ongoing and long-term success of the Group is significantly influenced by the efforts and commitment of the Group's employees, strategic partners (including but not limited to those with expertise in funding, technology, operational delivery and go-to-market), contractors and suppliers and on the Group's relationships with these and other stakeholders including customers, investors, industry associations, political and media organisations, analysts, communities, the wider public and the regulators. The Board has put in place a range of processes and systems to ensure that there is close Board oversight and contact with its key resources and relationships.

CODE OF CONDUCT

The Group maintains and applies its own Code of Conduct. In alignment with the various legal and regulatory frameworks governing companies in the jurisdictions where the Company operates, EQTEC recognises its ethical and social responsibilities regarding how it conducts business in any and all markets. The EQTEC Code of Conduct is a summary of EQTEC's expectations for all Group-related business conduct, which it requires of its Group directors (executive and non-executive), its permanent employees, its contractors and consultants, its joint venture directors & employees and its partner organisations.

The Code of Conduct represents EQTEC's summary of its minimum expectations for how its people and partners conduct any EQTEC-related business in any situation, in any part of the world. These expectations are non-negotiable and must be addressed by all EQTEC people and partners. The code covers six areas of business conduct: (1) health, safety and environment; (2) discrimination and harassment; (3) safeguarding and company assets; (4) conflicts of interest; (5) anti-bribery and corruption; and (6) competition and trade control.

ENGAGING AND COMMUNICATING WITH SHAREHOLDERS

The Board is committed to constructive communication with its shareholders. In line with the AIM Rules for Companies, EQTEC publishes the most relevant news for shareholders through the Regulatory News Services (RNS) of the London Stock Exchange. It does this in consultation with its Nominated Advisor and other advisors. The Company posts on social media and its website provides direct channels for communication with the Company from a variety of stakeholder groups.

From time to time, the leadership of the Company joins video interview sessions that are posted on the internet for access by shareholders and other interested stakeholders. These typically focus on recent Company news but offer deeper insights from EQTEC leadership into the decisions of the business and how these align to execution of the Company's strategy.

All shareholders are invited to attend the Company's Annual General Meeting (AGM) where they have the opportunity to pose questions directly to the directors of the Company. Investors also have access to current information on the Company though its website, www.eqtec.com.

CORPORATE RISK MANAGEMENT

Identification, management and mitigation of risk is critical to the Company's achievement of its strategic objectives. Corporate risk management controls have been integrated by the Board to support its assessment of EQTEC's exposure to risk and to drive active mitigation, focused first on high probability/high impact risks. In addition, the Group has defined and implemented a variety of policies across the Group to proactively mitigate any risks associated with bribery, share dealing and insider trading legislation.

> **"EQTEC's technologies are in demand from markets around the world and can be applied equally well to Industrial, Utility and other customers in any of those geographies."**

Given the current size of the organization and close, day-to-day control exercised by the executive directors, the Board takes the view that an internal audit function is not necessitated at this stage. However, the Board will continue to monitor the need for an internal audit function and take steps should it be necessary to do so.

The principal risks to achievement of the Company's strategic business objectives are outlined below, together with their potential impacts and mitigation measures in place. The Board believes these risks to be currently the most significant with the potential to impact delivery of the business strategy, financial and operational performance and ultimately, the Company's reputation. The Board reviews and updates its risk register on a regular basis as part of its commitment to effective risk management.

Key areas for on-going risk management

KEY AREA	MITIGATION
Reliance on material counterparties	
EQTEC has one or more specific roles in the value chain for development, construction and operation of plants running its technology. Successful completion of large-scale infrastructure projects depends on a wide range of other players including developers, funders, government agencies at all levels, EPC or other Contractors, insurers, banks and a range of subcontractors. EQTEC's ability to commission and support plants running its technologies is dependent therefore on these third parties as well as the owner-operator clients behind them. Successive project failures due to matters beyond EQTEC's own control could materially impact Company revenues and potentially limit our ability to trade.	One of the three pillars of EQTEC's business strategy is the establishment and maintenance of strong partnerships with the world's most reliable and respectable funding, development, EPC, operations and technology partners. Avoiding less experienced partners with limited track record will significantly reduce the chances of project failure and ensure that EQTEC's technology can be commissioned for the long-term operational and financial success of the plant. EQTEC vets its prospective partners and favours credit-rated partners with strong internal capability and reliable supply chains. Additionally, EQTEC contracts for a very clear scope of supply with guarantees focused on variables within its direct control.
Attracting and retaining talent	
The paradox of being a small and early-stage business is that the Company requires highly experienced, autonomous and entrepreneurial directors and staff even more than it requires younger talent. Despite such experienced leaders being few and highly sought after, the Company must compete with larger, better funded companies for them. Failure to attract the right leaders or to maintain the right balance between capable leaders and talented staff could impact the Company's ability to achieve its strategic objectives in good time. As we continue to grow and diversify into new areas, this risk will continue to be a focus for the RemCo and Board of Directors.	The Company targets upper-quartile candidates for directors and engineers and upper-half candidates for business development and other non-engineering roles. Remuneration is aligned to this, and includes base pay, performance bonus (currently paused) and incentives for employees to own the business (currently being redefined). The Board of Directors seeks to engender a culture of supported leadership, which includes a high degree of autonomy for self-motivating performers, with team collaboration and backup from highly capable leaders in key management roles. The Company benchmarks its remuneration and employment policies with others in the market.
Attracting and retaining skilled people	
Attracting and retaining the best skilled people at all levels of the business is critical. This is particularly the case in ensuring we have access to a diverse range of views and experience, and in attracting specific expertise at both managerial and operational levels where the market may be highly competitive. Failure to attract new talent, or to develop and retain our existing employees, could impact our ability to achieve our strategic growth objectives. As we continue to grow and diversify into new areas, this risk will continue to be a focus for the Board.	Our business model has created a pipeline of opportunities for staff at every level of the business. This will continue to be the case as the Group develops. Our focus on competency at all levels of the business continues to ensure that we develop our people and enable them to successfully manage the changing profile of our business. A robust performance management framework coupled with a balanced incentive programme allows the business to mitigate this risk ensures that key individuals are retained.
Political and regulatory risk	
EQTEC's technology is by its nature generally geography-agnostic. That creates a broad scope for application to a range of waste and energy needs in a wide range of markets. However, as the world transitions from traditional waste management and energy generation approaches, some regulatory environments provide greater incentives for investment and implementation of new energy infrastructure solutions including EQTEC's solutions. At the same time, regulatory terms and conditions are changing rapidly, both in favour of and sometimes against the progress of new energy infrastructure including EQTEC. Ultimately, the risk of regulatory support or difficulty is held not by the Company but by the client that owns the project. However, the knock-on impact is that EQTEC may commit significant work to progress the project, only to find that the project is unable to proceed.	The Company selects its target markets and target clients based upon the stability and policy direction apparent in the regulatory market where they operate and/or where they intend to implement a project with EQTEC technology. The Company also finds itself focusing increasingly on market environments where public and/or private funding is increasingly inclined or specifically allocated for investments in new energy infrastructure. The Company mitigates the risks of delay, disruption or abandonment of client projects by increasing its pipeline of projects and allocating resource to those moving forward, as it awaits further progress from clients on slower-moving projects. The Company anticipates that its portfolio will grow as demand increases, but also as such risks are seen to increase. The Company employs local expertise for local client relationships and to drive and monitor progress.

KEY AREA	MITIGATION
Reputational risk	
Especially as a small company with an as-of-yet underdeveloped brand recognition, every deployment of EQTEC capability and technology is risky in terms of establishing EQTEC's reputation for quality of delivery, sustainable operation and commercial success. Association with a badly managed or slow-moving project, even if such issues have nothing to do with EQTEC's performance, will inevitably reflect on EQTEC's market reputation. This in turn could turn away potential clients, investors, employees, suppliers or other key stakeholders. Additionally, issues within the Company's own control related to financial control, statutory compliance or other such obligations would call into question the good intentions of the Board of Directors, even if such matters were simply mishandled by the management of the business.	For matters directly within the control of the Company, strong corporate governance, policies and procedures are in place, communicated to all staff and continuously improved to maximise the Board of Directors' visibility and direct control of critical decisions and toward best business outcomes for the Company and its stakeholders. With regard to reputational risk undertaken by the business through engagement with clients and others in projects, the Company has invested in stringent contracts that minimise the scope of risk taken on by the Company and maximise its ability to withdraw from projects it views as highly risky, even after the contract has been executed. Additionally, the Company has focused its engagement on a small number of key clients, suppliers and partners so that it can deepen relationships and broaden the range of projects the Company undertakes with others aligned to its approach to business.
Funding of the business	
The Company's strong intent is to become a revenue-funded business as soon as possible. Until revenues are sufficient to fund the Company's working capital including payroll, fixed costs and essential suppliers, the Company must generate a mix of debt financing and equity investment to support its ambition to become a sustainable, growth business. Capital markets, particularly for small-cap companies tightened in early 2022 and although they are now starting to look again at small-cap, market sentiment toward renewable energy stocks is not as strong as in recent years. The Company faces hardship in raising capital in the market until its market position and/or market sentiment returns for small-cap renewable stocks.	The Company has pursued both debt and equity solutions from known and/or reliable small-cap investors for tactical, short-term funding. In addition, the Company is pursuing one or more strategic investors able to take a longer-term view of the Company's potential and to support it through the coming months and years of potentially low-return growth. The Company in 2023 did a full review of its cost base and significantly reduced its working capital requirements. We oversee and monitor financial performance and cash conversion rigorously, at leadership level. This includes daily monitoring of bank balances, weekly cash review, and maximum monthly financial performance and balance sheet reviews.

EQTEC's David Le Saint [left] joins Idex CEO Benjamin Fremaux, Limoges Métropole's Guillaume Guérin and others at an event celebrating efforts to install an EQTEC-enabled plant in the area.

Visitors to the EQTEC Italia MDC reference plant in Tuscany, Italy in May 2024, examining the EQTEC gasification reactor from above.

GOVERNANCE STRUCTURES AND PROCESSES

Authority for all aspects of the Group's activities rests with the Board. The respective responsibilities of the Chairman and Chief Executive Officer arise as a consequence of delegation by the Board. The Board has adopted two statements; the first sets out matters reserved for the Board and the second establishes the policy on delegation of authority. The Chairman is responsible for the effectiveness of the Board, while management of the Group's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

DIRECTOR EMPLOYMENT AND SHARE OWNERSHIP

Director employment and remuneration are governed by the Remuneration Committee and the standards agreed and decisions taken by the RemCo are handed over to Executive Directors for implementation.

Executive Directors are employed under service contracts specifying three to six months' notice of intention to resign. Non-Executive Directors including the Chairman are contracted through appointment letters that are terminable by three months' notice. Directors' emoluments, including Directors' interests in share options over the Group's share capital, are set out in the Annual Report.

The Board encourages the ownership of shares in the Company by Executive and Non-Executive Directors alike and in normal circumstances does not expect Directors to undertake dealings of a short-term nature. The Board considers ownership of Company shares by Non-Executive Directors to be a positive alignment of personal interest with shareholder interest. The Board will periodically review the shareholdings of the independent, Non-Executive Directors and will seek guidance from its advisors if, at any time, it is concerned that the shareholding of any independent Non-Executive Director may, or could appear to, conflict with their duties as independent, Non-Executive Director of the Company.

NON-EXECUTIVE DIRECTORS

The Board has adopted guidelines for the appointment of Non-Executive Directors. These provide for the orderly and constructive succession and rotation of the Chairman and Non-Executive Directors insofar as both are appointed for an initial term of three years and

Partner spotlight

COSMI
AFFIDABILITÀ, PASSIONE, QUALITÀ

Giampiero Servetti
President

CosMi provides Engineering, Procurement and Construction (EPC) services and project management services for renewable energy plants. It employs professionals from the engineering sector with decades of developed experience in industries including steel, petrochemical and renewable energy.

Within its portfolio of projects, CosMi designs and provides construction resources, piping made by expert technicians and specialised welders and assembly of metal structures for industrial production lines, waste-to-energy plants and industrial warehouses. It also provides industrial, engineering and mechanical maintenance so that clients like EQTEC receive improved performance and better plant usage rate from their projects.

EQTEC and CosMi have worked together for nearly a decade on a wide range of projects where high-quality fabrication, installation and other construction and maintenance services are required. This includes collaboration at the EQTEC Italia MDC in Tuscany, Italy and all of EQTEC's projects in France.

may, at the Board's discretion and best interests of the Company, be appointed for subsequent terms. The Chairman may serve as a Non-Executive Director before commencing a first term as Chairman.

In accordance with the Companies Act 2014 of Ireland, the Board complies with the following duties:

- Promoting the success of the company and acting in good faith in the interests of the company;
- Exercising independent judgment;
- Exercising reasonable care, skill and diligence;
- Acting honestly and responsibly in relation to the conduct of the affairs of the company;
- Acting in accordance with the company's constitution and exercise his or her powers only for the purposes allowed by law;
- Not using the company's property, information or opportunities for his or her own or anyone else's benefit (except in specific cases outlined in the aforementioned Acts);
- Avoiding conflicts of interest, for example between the director's duties to the company and the director's other (including personal) interests unless the director is released from his or her duty to the company in relation to the matter concerned, whether in accordance with provisions of the company's constitution in that behalf or by a resolution of it in general meeting;
- Exercising the care, skill and diligence which would be exercised in the same circumstances by a reasonable person having both the knowledge and experience that may reasonably be expected of a person in the same position as the director and the knowledge and experience which the director has;
- Exercising regard to the interests of its employees in general and to the interests of its members;
- Not accepting benefits from third parties; and
- Declaring interest in proposed transaction or arrangement.

Additionally, the Board and its individual members comply with EQTEC's obligations as a publicly traded entity on the London Stock Exchange Alternative Investment Market (AIM), addressing all of the AIM Rules for Companies.

Partner spotlight

SENSE ESCO
ENERGY SERVICE COMPANY

Marko Slunjski
Managing Director

SenseESCO is a Croatia-based project development company founded in 2014 by Marko Slunjski, with financial and technical partners from Croatia, Germany and USA. With headquarters in Zagreb, the SenseESCO team researches, designs, finances, implements, operates and maintains energy efficiency, renewable energy and biomass waste-to-energy projects in Southeast Europe.

SenseESCO implements energy efficiency projects. It positions itself in the lead coordination role, to interconnect all requirements, commitments and activities of energy efficiency projects, including engineering and consulting, financing, equipment manufacturers and works contractors and energy supply. The company leads planning, implementation and financing of energy efficiency projects, bringing capabilities and local connections to the partnership with EQTEC.

EQTEC and SenseESCO have worked together since 2015, identifying and qualifying opportunities in Croatia and elsewhere. More recently, SenseESCO has been instrumental in preparing for and ramping up operational capability and commercial management at the EQTEC Italia MDC in Tuscany. This showcase plant is important for prospective investors looking at SenseESCO and EQTEC opportunities in Croatia and beyond.

The partners continue to pursue opportunities at Belišće and Karlovaç in Croatia, with at least two other prospective opportunities foreseen.

COMPANY SECRETARY

The CFO acts as Company Secretary. The Board is in the process of recruiting a CFO and in the interim has employed a specialist company to act as Company Secretary.

AUDIT COMMITTEE

The Audit Committee is led by Tom Quigley (Committee Chairman) and includes Ian Pearson (Company Chairman). Meetings are joined by the CFO as the Director in charge of Company financial management, with other Directors joining as appropriate. Typically, the Audit Committee meets at commencement of the annual audit, and then again toward conclusion of the audit, to approve the Annual Report. It meets again at the start of the second half of the year, to review Interim Results. It may also meet to review the suitability and effectiveness of internal control processes, accounting policies and material accounting judgments. The Audit Committee has unrestricted access to the Group's external auditor and the Company's external auditor attends the Audit Committee to present its findings on the audit and to maintain a direct line of communication with the Directors.

REMUNERATION COMMITTEE

The Remuneration Committee includes Ian Pearson (Company Chairman) and Tom Quigley (Non-Executive Director). The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to Director terms of service and remuneration, including the granting of equity incentives pursuant to any incentive plans in operation from time to time. The Remuneration Committee generally meets twice a year—once at the start to review performance over the previous year and consider performance-related pay and once toward the end of the year to review remuneration terms, policies and improvements to them.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

2023	BOARD OF DIRECTORS	AUDIT COMMITTEE	REMUNERATION COMMITTEE
Total meetings held	**15**	**2**	**2**
Ian Pearson	13	2	2
David Palumbo	15	–	2
Yoel Alemán Méndez	7	–	–
Jeffrey Vander Linden	12	–	2
Thomas Quigley	11	2	2
Nauman Babar (resigned)	12	2	–

The Company's external auditor attends the Audit Committee to present its findings on the audit and to provide a direct line of communication with the Directors.

IAN PEARSON
Chairman
27 June 2024

EQTEC in focus

EQTEC Italia MDC

EQTEC's first co-owned reference plant that demonstrates the high quality of EQTEC-produced syngas

EQTEC Italia MDC Srl is a company registered in Italy for the purpose of transforming agricultural and forestry waste into electrical power and biochar in a relatively remote and heavily agrarian community.

EQTEC Italia MDC owns and operates a 1 MWe plant in Gallina, a village near Castiglione d'Orcia in Tuscany's Val d'Orcia, an area considered to be one of the region's most scenic. It is on a site originally owned by Toscana Cereali Societa' Cooperativa Agricola and that was previously used for grain and cereals. EQTEC's modular approach to design of the gasification plant was thus brought to bear when building its facility inside a pre-existing structure.

The original plant was commissioned by EQTEC in 2015 but was decommissioned soon thereafter by its owner at the time, which went into liquidation for reasons unrelated to the plant. The Company reacquired the facility in 2021 and brought in other shareholders who together invested in upgrading and recommissioning the plant. The Company currently owns 49% of EQTEC Italia MDC.

EQTEC Italia MDC is a reference plant for the Company and the first in which it has an ownership stake and the right to use it freely for showcasing EQTEC's technology. Since early 2023, the Company has taken a number of visitors to the site, including some of Europe's largest Utility companies. The purpose of the plant is to demonstrate what many visitors note as a first for them: seeing a commercial-scale gasification plant in operation.

FEEDSTOCK

At present, the plant uses feedstock that is relatively homogenous, to produce heat, power and biochar. The primary point of demonstration for the plant is the high-quality syngas produced through EQTEC's patented and proprietary gasification process, which offers a productive yield of electricity, heat and biochar at high efficiency. The plant has already shown savings in feedstock input required versus output yield and this is expected to improve even further as the plant moves toward sustainable operations.

With EQTEC technology at its core, the plant is capable of converting multiple types of biomass feedstock into electrical power, thermal energy and biochar. At present, the plant is converting high-density wood chips into electrical power for export to the national grid, for which a connection has been secured with a preferential tariff.

EQTEC Italia MDC Operations Team, with visiting EQTEC Group managers on site in Castiglione d'Orcia, Tuscany.

> **"With EQTEC technology at its core, the plant is capable of converting multiple types of biomass feedstock into electrical power, thermal energy and biochar."**

Front entry of the EQTEC Italia MDC, with the silo in front, which holds a full day's supply of feedstock.

An internal conveyor transport feeds the hopper from the day silo, for feeding into the gasification reactor.

The plant is also able to support lower-density feedstocks such as straw or other agricultural waste. This ability to switch amongst feedstock types and suppliers adds resilience to EQTEC Italia MDC's business model. As the plant operation matures, it will pursue permitting for transformation of demolition wood or other waste wood, for which it expects to achieve further incentives. The technology is flexible enough to accommodate a reasonable range of such feedstocks.

OFFTAKE

Electrical power of up to 1 MWe is generated by a Jenbacher gas engine, which utilises as fuel the syngas produced by the EQTEC gasification process. Because of its high quality, the EQTEC-produced syngas can be injected directly into the gas engine without going through a boiler. Results from the plant's chromatograph regularly attest to the high quality of the plant's syngas, which contains only trace amounts of any hydrocarbons or other pollutants and a high proportion of hydrogen.

In addition to the electricity, the plant is producing biochar for potential sale on the emerging market in Italy and across Europe. Thermal energy produced through the continuous EQTEC thermochemical conversion process is being recycled to dry the feedstock, further improving the plant's waste-to-energy conversion efficiency.

The Company is exploring options for sale of biochar, including its potential certification for agricultural use, which would command a higher premium. It is also exploring the potential sale of carbon credits associated with the sale of biochar. At the same time, it is investigating the option of selling some of its heat output to neighbouring companies.

IN PURSUIT OF CONTINUOUS OPERATIONS

Although the plant went into live operation in March 2023 and has successfully exported electricity to the national grid, also producing dozens of tonnes of biochar, the company spent most of 2023 mobilising a capable and sustainable operations team. By December 2023, the team included 11 operators, including an Operations Manager, all of whom live within 15 km of the plant and are thus local hires. The Company has also deployed a consultant Operations Director to support the team.

With this capable and dedicated team in place, the plant has in early 2024 undergone successive rounds of operational uptime, followed by maintenance and improvements to repair and refine operation toward continuous operations.

The Company expects the plant to achieve continuous operations in 2024. In the meantime, it continues bringing prospective customers to the site who have an interest in the gasification technology in a live environment. Such visits have already resulted in new contracts and revenues for the Company.

> **"The plant is also able to support lower-density feedstocks such as straw or other agricultural waste. This ability to switch amongst feedstock types and suppliers adds resilience to EQTEC Italia MDC's business model."**

The gas engine meter indicates electricity production at 902kW, approaching the full capacity of the plant.

Four external hoppers capture approximately five days' worth of biochar output by the thermal cracking reactor inside the plant.

The countryside surrounding the plant is Tuscany's Val d'Orcia, an area of scenic beauty that the EQTEC Italia MDC will help maintain with clean energy production.

About EQTEC reference plants

EQTEC Italia MDC is not the first commercial-scale plant to apply EQTEC's technology, but it is the first plant in which the Company can freely showcase its technology and try out new approaches or solutions that will improve the functioning of the plant and be replicable to other facilities in the future.

At present, EQTEC has at least three other such reference plants in mind: a plant to demonstrate EQTEC's capabilities with mixed feedstocks; a plant to demonstrate a circular approach to industrial waste; and a plant to demonstrate EQTEC's capabilities with advanced fuel offtakes such as renewable natural gas (RNG), hydrogen or liquid fuels.

In Doubs, France, the Company in 2023 sold its Grande-Combe project to France infrastructure owner-operator Idex. The project will retrofit a purpose-built but failed gasification plant, replacing it with EQTEC technology. The upgraded plant will transform **mixed feedstock** of wood, demolition wood waste and refuse-derived fuel (RDF) into 6.5 MWe for sale to the national grid. With the sale to Idex, EQTEC has agreed for the use of the facility as a reference plant for the Company.

In Belišće, Croatia, the Company is in the process of securing additional equity and/or debt funding to recommission an existing plant that still contains EQTEC technology. Originally commissioned in 2016, the plant was shut down with the insolvency of the same company that previously owned the EQTEC Italia MDC. Once upgraded and recommissioned, the Croatia plant will convert paper pulp, paper waste and plastics from a nearby paper mill into 1.5 MWe electricity and potentially biochar. The electricity is expected to be returned in **circular** fashion to the paper mill to run its industrial processes. The biochar would be sold on the market.

Finally, the Company envisions a fourth reference plant to demonstrate its capabilities producing a syngas that can be further refined to produce **RNG, hydrogen, liquid fuels or other chemicals**. As one example of the potential, the Company announced in January 2024 a joint venture with gas-to-liquids technology company CompactGTL for development of an integrated, waste-to-liquid fuel solution that would convert EQTEC syngas into liquid fuel such as sustainable aviation fuel (SAF). The partners are starting with pilot work at the Company's R&D facility at the University of Lorraine in France but are also raising funding for a reference plant that would apply the solution at commercial scale.

Directors' report

The Directors present their annual report and the audited financial statements of the Company and its subsidiaries, collectively known as 'the Group' for the financial year ended 31 December 2023.

CTO Yoel Alemán Méndez measures equipment installed on site to support construction contractors with a bespoke connection solution.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

EQTEC 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.

EQTEC's revenues come from: (1) engineering services including design, specification, advisory and plant commissioning work; (2) sales of equipment manufactured according to EQTEC specifications; and (3) maintenance and operations support services for commissioned plants. In general, EQTEC does not own or operate its own plants, except for a small number of showcase facilities, where the Company might hold equity and an interest in plant operations and maintenance.

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.

DIRECTORS

The following Directors held office during the financial year and to the date of this report: Ian Pearson (Non-executive Chairman); David Palumbo (Chief Executive Officer); Yoel Alemán Méndez (Chief Technology Officer); Jeffrey Vander Linden (Chief Operating Officer); and Thomas Quigley (Non-executive Director).

In addition, the following Director held office during the financial year until 16 November 2023: Nauman Babar (Chief Financial Officer and Company Secretary).

RESEARCH AND DEVELOPMENT

The Group is fully committed to ongoing technological innovation in all sectors of its business. Revenues from client-focused R&D and testing totalled €119,325 in 2023 and EQTEC investment in non-client-facing R&D totalled €Nil in 2023 (2022: €12,170) as disclosed in Note 14 to the Financial Statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk assessment and evaluation are essential parts of the Group's internal controls. Information about financial risk management objectives and policies of the Group, along with exposure of the Group to credit risk, liquidity risk and market risk, is disclosed in Note 5 to the financial statements.

Corporate risks and mitigations specific to the Group are outlined in its Corporate Governance Statement in this document and available also on the Company's website. These are reviewed and updated regularly to accommodate changes in the Group's market context as well as the Board's view on priorities and responses to the changing context.

Additionally, the Group is exposed to a number of generic risks faced by many companies in infrastructure, technology, renewables and other related sectors. These are outlined below.

Dynamic market environment

Group operations and execution of our business plans are subject to the effects of global competition and geopolitical risk. They are also impacted by local economic conditions such as interest rates, inflation, recession, currency volatility, currency controls and actual or anticipated default on sovereign debt. Political changes and trends such as populism, economic nationalism and sentiment toward multinational companies and resulting changes to trade, tax or other laws and policies may be disruptive, and can interfere with our global operating model, our supply chain, our customers and all of our activities in a particular location. While some global economic and political risks can be hedged using derivatives or other financial instruments and some are insurable, such attempts to mitigate these risks are costly and not always successful.

Intellectual property risks

EQTEC owns a number of patents and reserves its rights with regard to these and other proprietary technology including its kinetic process modelling capabilities and its process control systems. We continually review both the scope and geographic applicability of our intellectual property (IP). Although the Group makes reasonable endeavours to protect its IP, our patents and rights over our own proprietary capabilities do not necessarily prevent competitors from independently developing or selling products and services similar to or duplicative of our own, and there can be no assurance that the resources invested by us to protect our IP will be sufficient to address these matters. The Directors believe that the strongest protection of the Company's IP is in building its brand as a reliable and consistent provider of uniquely innovative technology, deploying that technology into as many plants in as many places as possible. If we are unable to protect our IP, the value of our brand and other intangible assets may be diminished, and our business may be adversely affected. In addition to the IP and patents relating to our technology process, we possess a wide-ranging level and breadth of proprietary know-how that drives our proven operational capabilities and excellence.

Operational risks

Operational risks arise from people, processes, systems or external factors that could adversely impact the otherwise smooth, efficient and agile operation of our businesses. Such risks include innovation, R&D, project development, project delivery, plant operations and maintenance, quality management, information management & data security, marketing & communications and/or people management.

We innovate, deploy and integrate highly sophisticated solutions and provide specialised services based on leading edge technologies, including know-how, hardware and software. Many of our solutions involve complex industrial machinery and plant infrastructure such that the impact of a product failure or similar event could be catastrophic. While we apply quality assurance, inspection and operations & maintenance processes to ensure that our solutions operate as designed, there can be no perfect assurance that the Group, our customers or other third parties will not experience operational process failures or other problems that could result in product, safety, regulatory or environmental risks. Even where crisis management or business continuity plans exist, operational failures or quality issues resulting from organisational changes, attrition or labour relations could have a material, adverse effect on our business, reputation and/or financial position.

In specific instances, the Group invests capital in developing go-to-market entities (such as wholly-owned subsidiaries, majority-owned joint ventures or associate undertakings) toward growing and pursuing pipelines of projects. The Group's business model relies on funding of projects by third parties, the timing of which is subject to a range of uncertainties often not in the Group's control. The timing of funds generated from projects can be difficult to predict and could adversely affect the Group's results.

Revenue 2023

€2.5M

FY 2022: €8.0 million
FY 2021: €9.2 million

Aerial view of site in Hawaii, USA designated by Simonpietri Enterprises for development of an EQTEC-enabled syngas plant.

Supply chain

Significant raw material shortages, supplier capacity constraints, supplier production disruptions, supplier quality and sourcing issues or price increases could increase our costs of goods sold and adversely impact the competitive positions of our products. Our reliance on third-party suppliers, contract manufacturers and service providers, and commodity markets to secure raw materials, parts, components and sub-systems used in our products exposes us to volatility in the prices and availability of these materials, parts, components, systems and services. Any disruption in deliveries from third-party suppliers, contract manufacturers or service providers, capacity constraints, production disruptions, price increases, or decreased availability of raw materials or commodities, including as a result of catastrophic events, could have an adverse effect on our ability to meet our commitments to customers and/or increase our operating costs. Quality, capability and sourcing issues experienced by third-party providers can also adversely affect our costs, margin rates and the quality and effectiveness of our products and services and result in liability and reputational harm.

Liquidity

The cash requirements of the Group are forecast by the Board annually in advance and reviewed monthly by management. The cash forecast includes assumptions with respect to working capital, development spend and the timing of planning consents and financial close of projects. Significant delays in these expected timings may lead to a requirement for additional cash and impinge on the Company's status as a going concern.

IMPORTANT EVENTS SINCE THE YEAR-END

Details of occurrence of events since 31 December 2023 with an impact on the Group are included in Note 37 to the Financial Statements. Aside from those disclosed in Note 37, no other adjusting or significant events have occurred between the 31 December reporting date and the date of authorisation.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The Group and Company'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 above.

Management maintain a rolling, 12-month forecast for the business, and have produced forecasts for the period up to December 2025 and for the period January 2026 – December 2028, taking account of reasonably plausible changes in trading performance and market conditions, which have been reviewed by the Directors. The forecasts demonstrate that the Group and Company are forecast to generate cash in 2024/25 and that the Group and Company have sufficient reserves to enable the Group and Company to meet their obligations as they fall due for a period of at least 12 months from the date at which the financial statements have been signed.

After undertaking the assessments and considering the uncertainties set out above, the Directors share a reasonable expectation that the Group and Company have 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.

Directors' report

RESULTS AND DIVIDENDS

The results for the financial year are set out on page 57. No dividends have been proposed by the Directors in the current financial year (2022: €Nil). It is the Directors' view that revenue growth and profitability are immediate priorities and that profits should be reinvested in further growth, creating shareholder value through appreciation of the share price.

SHARE CONSOLIDATION

Pursuant to the Capital Reorganisation and Share Consolidation announced on 20 November 2023 and approved at an Extraordinary General Meeting (EGM) on 18 December 2023, the Company's previous 14,783,204,492 ordinary shares of €0.001 each were consolidated into 147,832,044 ordinary shares of €0.01 each in issue. As of 31 December 2023, the Company had 181,485,890 ordinary shares in circulation.

DIRECTORS' INTERESTS IN SHARES

Following the share consolidation, Directors of EQTEC plc who held office at any point in 2023 held the following ordinary shares of the Company (of €0.01 each) at the end of 2023, versus ordinary shares (of €0.001 each) at the end of 2022:

DIRECTOR	ROLE/S	ORDINARY SHARES HELD	
		AT 31 DECEMBER 2023	AT 31 DECEMBER 2022
Ian Pearson	Chairman	**72,043**	7,204,300
David Palumbo	CEO	**731,320**	60,809,627
Jeffrey Vander Linden	COO	**282,347**	21,560,914
Yoel Alemán Méndez	CTO	**2,007,920**	185,791,970
Thomas Quigley	Director	**547,510**	54,751,035
Nauman Babar (resigned)	CFO and Company Secretary	**10,000**	1,000,000

DIRECTORS' INTERESTS IN SHARE OPTIONS AND WARRANTS

Following the 1:100 share consolidation at the end of 2023, Directors of EQTEC plc who held office at any point in 2023 had interests in the following share options and/or warrants toward Company shares (versus pre-consolidation entitlements at the end of 2022):

DIRECTOR	ROLE/S	SHARE OPTIONS TO WHICH ENTITLED		WARRANTS TO WHICH ENTITLED	
		AT 31 DEC 2023	AT 31 DEC 2022	AT 31 DEC 2023	AT 31 DEC 2022
Ian Pearson	Chairman	**-**	-	**-**	-
David Palumbo	CEO	**337,500**	33,750,000	**1,969,688**	196,968,812
Jeffrey Vander Linden	COO	**419,318**	41,931,818	**712,971**	71,297,138
Yoel Alemán Méndez	CTO	**221,159**	22,115,888	**984,844**	98,484,406
Thomas Quigley	Director	**-**	-	**-**	-
Nauman Babar (resigned)	CFO and Company Secretary	**295,827**	29,582,716	**-**	-

EQTEC Italia MDC Operations Director Francesco Messina confers with the Operations Team on site.

Share options granted at the start of 2023 were later rescinded in line with the Company's underperformance in 2023 and with the intention of discontinuing its long-term incentive programme (LTIP). On that basis, any difference in share option entitlements between 2022 and 2023 should express only the consolidated share amount, no incremental increase in entitlement.

Share options were granted in previous years through the LTIP, with vesting conditions linked to company performance, with a three-year vesting period and a two-year holding period for Directors. The 2022 LTIP maximum award options were 188,648,745 at an award price of 1.00p (GBP 0.010) with an expiry date of 30 April 2033 and an exercise price of EUR 0.001 (becoming EUR 0.01) following the share consolidation at the end of 2023. One-third of 2022 share options vested on 01 May 2023.

Further details of the LTIP scheme are set out in Note 28 of the financial statements. The Directors and Secretary who held office at 31 December 2023 did not have any interests in the share capital of any of the subsidiaries of the Company.

The warrants such are exercisable up to 16 November 2027 at 7.878 pence (GBP 0.07878) per ordinary share.

REMUNERATION COMMITTEE REPORT

The Group's remuneration model is designed to attract and retain people of the highest calibre and who bring their experience and impact to the work of the Group and achievement of both its near-term business plan and its long-term strategy. Executive remuneration in particular targets a higher proportion of pay based on Company performance and attracts leadership with strong accountability, comfort with ambiguity, entrepreneurialism and long experience and expertise on matters of policy, strategic decision-making and governance.

In setting remuneration levels, the Remuneration Committee benchmarks other companies of similar size and scope. To date, remuneration has favoured a lower average executive non-contingent base pay, augmented by a higher rate of contingent, performance-based pay.

In 2023, the Directors took specific actions in support of Group cash flow, some of which impacted Director remuneration.

In September 2023, the Company announced cancellation of short-term incentives (STIs) for Executive Directors through which bonus would otherwise be payable annually, subject to achievement of corporate and individual performance, to be restored at such time as the Company's cash position supports restoration of originally agreed terms.

In November 2023, the Company further announced deferral by all Executive Directors of 40% of base salary until such time as the Company's cash position supports restoration of originally agreed terms. Non-executive Directors deferred 100% of their pay on the same timetable.

Additionally, the Company announced that the Long-Term Incentive Plan (LTIP), through which EQTEC share options are made available to Executive Directors and staff subject to corporate performance, were cancelled. Previously issued LTIP options remain in place and options granted through 2022 will continue to vest.

Any and all incentive pay is approved by the Remuneration Committee and ratified by the Board. Details of Directors' remuneration are included in Note 36 of the notes to the financial statements.

ACCOUNTING RECORDS

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records by employing persons with appropriate expertise and by providing adequate resources to the Finance function. The accounting records are held at the Company's business address at Building 1000, City Gate, Mahon, Cork T12 W7CV, Ireland.

The Directors are responsible for ensuring that the Group and the Company keep or cause to be kept adequate accounting records that correctly explain and record the transactions of the Group and the Company, enable at all times the assets, liabilities, financial position and profit or loss of the Group and the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations and the AIM Rules for Companies. Irish company law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the assets, liabilities and financial position and the profit or loss for the Group and the Company. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under the Company Law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and the Company as at the financial year end date and of the profit or loss of the Group and Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

AUDITORS

The auditors, Grant Thornton, Chartered Accountants and Statutory Audit Firm, continue in office in accordance with Section 383(2) of the Companies Act 2014.

EQTEC's modular build allows for vertical process plants with smaller floorplate, or horizontal builds where there is more space... or anything in between.

"In future, EQTEC intends to augment its services and equipment revenues with recurring revenues from licensing of its technology to syngas plant owners."

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that: so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

DIRECTORS' COMPLIANCE STATEMENT

To ensure that the Company achieved material compliance with its relevant obligations, the Directors confirm that they have: drawn up a compliance policy statement setting out the Company's policies respecting compliance by the Company with its relevant obligations. put in place appropriate arrangements and structures that are designed to secure material compliance with the Company's relevant obligations. conducted a review, during the financial year, of the arrangements and structures, referred to above.

On behalf of the Board:

IAN PEARSON
Non-Executive Chairman

27 June 2024

DAVID PALUMBO
Chief Executive Officer

27 June 2024

EQTEC team


QASIM ALI
Project Accountant


MARCOS GARCÍA BARTOLOMÉ
Automation Control Engineer


CRISTINA CÁMARA
Office Manager


ERNESTO BRAVO CAMPOS
Mechanical Engineer


LIZ DE ABREU DEVIA
Process Engineer


SARA PIQUÉ FERRER
Quality Manager


OSCAR VELASCO HERNAN
O&M Manager


CARLOS LINARES
Automation Controls Engineer


DAVID LE SAINT
Managing Director, France


ALEX MARTIN
Electrical Engineer


JIMMY MCGLINCHEY
Group Financial Accountant


ARIEL ENTENZA MEDINA
Electrical Engineer


DR. YOEL ALEMÁN MÉNDEZ
Chief Technical Officer


CÉSAR BERRUECO MORENO
Chief Process Engineer


DAVID PALUMBO
Chief Executive Officer


PREET PARMER
Investment Specialist

THE COMPANY

EQTEC is an Irish company that currently delivers its technology solutions and expert engineering services to clients across Europe and the USA. The Company's shares are traded on the London Stock Exchange's Alternative Investment Market (AIM:EQT). Its technology and engineering centre is in Spain.

EQTEC plc and Group were formed in 2018 with acquisition of a Spain-based gasification technology company by an Ireland-based developer of renewable energy projects across a range of technologies. Today, the Company is focused solely on innovating and deploying technology solutions that produce the highest quality synthesis gas (syngas), supporting client projects and plants that will cleanly and sustainably generate heat, electrical power, renewable natural gas, hydrogen, liquid fuels and other chemicals as replacements for traditional, fossil-fuel-based solutions.

Demand for EQTEC solutions is consistently strong, with new enquiries coming to the Company weekly from six continents around the globe. As the Company grows, so too will its team of world-leading syngas process engineers and technology integrators.

THE TEAM

The Company currently operates in Ireland, the United Kingdom, Spain, Italy and France. In other markets such as the USA, the Company works through a number of go-to-market partners.

Operating across all target markets, the Company has a small number of senior staff dedicated to incubating demand, qualifying customers and partners, managing customer and stakeholder relationships, supporting client project alignment and negotiating commercial terms.

EQTEC's process engineers are led by four chemical engineers with PhDs and specialisms in gasification, including CTO Yoel Alemán Méndez, who is the inventor behind EQTEC's patented and proprietary capabilities. EQTEC process engineers are leaders in gasification technology and apply their know-how to every one of EQTEC's designs in support of client-specific solutions.

EQTEC also has a small number of mechanical and electrical engineers trained in and experienced with integration of EQTEC technologies into plant designs. These capabilities are further augmented by engineering partner CT3 Ingeniería of Spain, which is able to mobilise mechanical, electrical and civil engineers to augment EQTEC's design efforts.

EQTEC also has operations & maintenance (O&M) specialists and capabilities able to support clients with integration of EQTEC technology and engineering on site and to support clients with early-stage operation of new plants running EQTEC technology.


HAMZA QAYUM
Head of FP&A


JAVIER RECARI
Process Engineer


ESTHER LORENTE ROYO
Senior Process Engineer


DENISA RODRIGUEZ ROYO
Project Manager


LISA SYLVESTER
Executive Assistant


JEFFREY VANDER LINDEN
Chief Operating Officer


ANDREA RODRIGUEZ ZAMBRANO
Calculation & Design Technician

50
project engineers through engineering partner CT3

Board of Directors

The Board comprises three, full-time executive directors: CEO David Palumbo, CTO Dr. Yoel Alemán Méndez, and COO Jeffrey Vander Linden, and two independent, non-executive directors: Chairman Ian Pearson and Director Tom Quigley.

The biographies of all five, EQTEC directors are outlined here.

IAN PEARSON

Non-Executive Chairman

Ian is an experienced Board director, with leading roles in several companies including EQTEC, where he has been non-executive Chairman since 2017. He is a non-executive director at Thames Water Utilities Limited, the UK's largest water company. He is also Chairman of Quantum Exponential Group plc a company focused on quantum computing. Previously, Ian was a Senior Adviser to BAI Communications plc and Chairman of AIM-listed OVCT2, where he oversaw the company's investment in a variety of renewable energy companies. Ian was a member of the UK Advisory Board of Big Four accountancy PwC. Between 2001 to 2010, he was a Minister in the UK Government, holding roles as Government Whip, Minister in Northern Ireland, Minister for Trade, Minister for Climate Change and the Environment, Science and Innovation Minister and Economic Secretary to the Treasury. He was elected as a Member of Parliament in 1994. He graduated from Balliol College, Oxford and has both a master's degree and a doctorate in Industrial and Business Studies from the University of Warwick.

DAVID PALUMBO

Chief Executive Officer (CEO)

David is an experienced investor, business leader and entrepreneur with over 20 years' experience in private equity, venture capital and asset management. Since 2006, he has founded and co-founded several companies in a variety of industries including cleantech, digital technology and real estate. David joined EQTEC in 2018 as an investment and growth advisor and after restructuring the Company's financial platform, he was asked by lead investors in late 2019 to take on the role of CEO. Since then, he has focused EQTEC's leadership team on establishing a growth platform through its R&D and engineering, its operations and scale capabilities and its financial management discipline. In addition to re-focusing EQTEC, David founded and remains the Managing Partner of Origen Capital LLP, a private investment firm representing family offices and private consortia in Europe, CIS and Latin America. He holds a BSc and a MSc in Electrical Engineering.

DR YOEL ALEMÁN MÉNDEZ

Chief Technical Officer (CTO)

Yoel's mechanical and chemical engineering career includes more than 20 years' experience with gasification as his chosen specialism. He has designed, built and operated thermochemical conversion facilities of various sizes and capacities for a wide range of feedstocks, including commercial-scale plants to handle biomass and non-biomass feedstocks (including RDF). He is the author of all of EQTEC's patents and the lead inventor of its proprietary technologies. He joined the Company in 2010, to rescue a project that was struggling at the Mostos, Vinos y Alcoholes, S.A. (Movialsa) agro-industrial facility in southern Spain. That initial, highly successful project, completed in 2011, established the platform for EQTEC's proven technology capability. Dr Alemán has been an associated professor or researcher at three universities and earned a PhD in Chemical Engineering. Prior to his appointment to the EQTEC plc Board of Directors in 2019, he was Chief Technical Officer of EQTEC Iberia slu.

JEFFREY VANDER LINDEN

Chief Operating Officer (COO)

Jeff is a strategy and operations professional with 30 years' experience implementing complex change and growth strategies across private- and public-sector organisations, from small start-ups to large multinationals. Prior to joining EQTEC in 2020, he led development and implementation of global operations and scale at one of the world's largest consumer products companies. Before that, he spent 16 years designing and delivering business strategy, process and technology transformation as a business consultant and programme director at PwC, IBM and Capgemini. His dozens of clients include NTT, NEC, AT&T, Motorola, BAE Systems and National Grid. Jeff spent 10 years living and working in Japan, with projects across Korea, Taiwan, Hong Kong and Singapore. He has worked in the UK, Europe and India since 2001. He received a Bachelor of Arts in Social Studies (Economics, Politics, History, Philosophy) from Wesleyan University in Connecticut, USA.

TOM QUIGLEY

Non-Executive Director

Tom is a business executive and investor, with a long career working at Board-level, as Managing Director, CFO or CIO. In addition to EQTEC, where he joined as a non-executive director in 2018, he is a non-executive director at Barchester Healthcare, Ethical Power and several other organisations. He is a member of the UBS advisory board in Jersey, Channel Islands and acts as a Protector to a major family trust structure. Prior to joining EQTEC, he was a director or managing director at Close Brothers Corporate Finance, ING Barings and Terra Firma Capital Partners. Tom has worked in real estate, financial services, healthcare and banking, and across a number of jurisdictions. He holds a BA in Physics from Oxford University and is a Chartered Accountant having qualified at Price Waterhouse (now PwC) in London.

Partner spotlight

eCERTO
TRANSFORMING FINANCIAL PERFORMANCE™

Luis Ibarra
Founder & CEO

Jose (Manolo) Boccardo
Founder & eADVISORY Director

eCERTO is an innovative technology and advisory business with its origins in the oil and gas sector, committed to bringing decades of commercial insights with process technologies to renewables sectors. Its vision is to transform the sustainability and financial performance of capital projects across the energy sector with INTEGRATI®.

INTEGRATI® is eCERTO's proprietary, Enterprise AI Platform for Capital Project Modelling. Designed for both developers and investors to streamline the project development and viability assessment, bridging the gaps to make projects investment ready, delivered on time and cost. Supporting its deployment is an advisory and digital transformation team with decades of experience in large-scale and complex infrastructure projects, executive leadership, business development, technology commercialisation and project management.

EQTEC and eCERTO's founders have been acquainted for many years, even prior to eCERTO's inception in 2016. With EQTEC's small but challenging set of larger, more complex projects, EQTEC approached eCERTO in 2021 for its view on how to approach these with greater discipline, pace and risk mitigation. eCERTO was appointed in 2022 for a UK-based project, to rapidly assess and integrate the work that had been done and to identify gaps and strategies for addressing them.

With eCERTO's guidance, EQTEC was able to organise project complexity around a standard framework built on best-in-class techniques well utilised in the energy sector. More than that, the capital project model built with INTEGRATI® enabled EQTEC and its partners to gain insights on the 'hot spots' in the financial model, cost structure and forward schedule that resulted in a refined strategy for project development.

EQTEC's strategic partnership with eCERTO has led to increased interest from project funders approaching eCERTO to conduct independent due diligence in relation to investment opportunities in the renewable energy sector, leveraging eCERTO's capital project modelling services powered by INTEGRATI®.

Although EQTEC aspires to discontinue any work as a project developer, it is committed to applying best practices with best partners to all of its projects, including those it must oversee until it can bring on professional developers. eCERTO and INTEGRATI® will continue to be highly recommended by EQTEC to accelerate, improve and drive carbon efficiency from infrastructure projects applying EQTEC's syngas technology, and beyond.

Independent auditor's report

OPINION

We have audited the financial statements of EQTEC plc ("the Company") and its subsidiaries ("the Group"), which comprise the Consolidated statement of profit or loss, Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows, Company statement of financial position, Company statement of changes in equity and the Company statement of cash flows for the financial year ended 31 December 2023, and the related notes to the financial statements, including the summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the Group's consolidated financial statements give a true and fair view in accordance with IFRS as adopted by the European Union of the assets, liabilities and financial position of the Group as at 31 December 2023 and of the Group's financial performance and cash flows for the financial year then ended;
- the Company's financial statements give a true and fair view in accordance with IFRS as adopted by the European Union of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its cash flows for the financial year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accountancy Supervisory Authority (IAASA), and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the Group and Company. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group and Company's ability to continue as a going concern basis of accounting included:

- Evaluating management's future cash flow forecasts, understanding the process by which they were prepared, and assessed the calculations are mathematically accurate. This includes performing stress test on management's future cash flow forecasts.
- Challenging the underlying key assumptions such as expected cash inflow from services and equipment sales and cash outflow for operating costs. This includes reviewing funding required to support the business in the short and medium term and reviewing post year-end financial reports to test accuracy of forecasts.
- Making inquiries with management and reviewing the board minutes and available written communication with commercial partners in order to understand the future plans and to identify potential contradictory information.
- Making inquiries and obtaining supports for funding such as receipt of equity raise and reviewing of settlement agreement contracts for committed costs due to be refunded to the Company and the Group.
- Assessing the adequacy of the disclosures with respect to the going concern assertion.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and therefore we do not provide a separate opinion on these matters.

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements as discussed in the key audit matters section. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

Based on our considerations as set out below, our areas of focus included:

- Impairment of goodwill;
- Revenue recognition;
- Impairment of investments accounted for using equity method; and
- Impairment of certain financial assets.

How we tailored the audit scope

The Group has one operating segment: the technology sales segment. We tailored the scope of our audit taking into account the areas where the risk of misstatement was considered material to the Group and Company, taking into account the nature of the Group and Company's business and the industry in which it operates. We performed an audit of the complete financial information of all the components of the Group. Components represent business units across the Group considered for audit scoping purposes.

In establishing the overall approach to our audit, we assessed the risk of material misstatement at a Group and Company level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the control environment in place at the Company.

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, such as our understanding of the Group and Company and their environment, the history of misstatements, the complexity of the Group and Company and the reliability of their control environment, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the Group and Company as follows: 1% of total assets (excluding goodwill for the Group) for the financial year ended 31 December 2023. We chose total assets as the benchmark as we considered this to be the main focus of the users of the financial statements based on nature of the Group and Company's activities with continuing funding rounds and business expansion.

We have set performance materiality for the Group and Company at 60% of materiality, having considered our prior year experience of the risk of misstatements, business risks and fraud risks associated with the Group and Company and their control environment. This is to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

We agreed with the board of directors that we would report to them misstatements identified during our audit above 5% of materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

Impairment of goodwill – valuation (Notes 3, 15 and 19)

The Group reports a significant goodwill balance arising from the acquisition of Eqtec Iberia SLU in 2017 (see Note 19). As at 31 December 2023, goodwill amounted to €10,000,000 which was 33.76% of the Group's total assets after total impairment of €6,710,497. Eqtec Iberia SLU incurred further losses of €1,997,833 in 2023, which we have identified as an indicator of impairment. We obtained management's discounted cash flow projections in support of the recoverability of this goodwill.

Under the relevant IFRS as adopted by the European Union, the Group is required to annually test the amount of goodwill for impairment. This annual impairment test was significant to our audit because the balance, as above, is material to the financial statements. In addition, management's assessment process is complex and highly judgmental and is based on assumptions, specifically on future cash flows, which are affected by expected future market or economic conditions. Actual results may differ from the estimates under different assumptions or conditions.

Due to the subjective estimates inherent in this calculation, this was a key judgmental area that our audit concentrated on.

Our responses

For this risk, our audit procedures included the following testing:

- Evaluated and challenged management's future cash flow forecasts and the process by which they were drawn up and tested the integrity and mathematical accuracy of the impairment model;
- Tested the significant assumptions and estimates used in preparing the cash flows which includes revenue forecasts, gross profit rates and discount rates and reviewed reasonableness of growth rates used for the projection and compared them against proven track record of performance;
- Tested the adequacy of discount rate used and evaluated the model in determining the value in use of the cash generating unit;
- Performed sensitivity analysis to determine reasonableness of the input variables used in the impairment model; and
- Considered the adequacy of the Group's disclosures relating to goodwill and the annual impairment review with the requirements included in the consolidated financial statements in accordance with IFRS as adopted by European Union.

The value of the goodwill is based on the best estimates of the Directors. As part of our audit, we have gained sufficient audit evidence supporting the assumptions of the model. However, in view of uncertainty in relation to the future events that affects the timing of revenue cash flows and significance of this balance to the consolidated financial statements, we consider that it should be drawn to your attention. There is a risk that assumptions used by the directors specifically on certain projects will be delayed which may affect the future cash flows of the Group. The consolidated financial statements do not reflect the adjustments that might arise should the assumptions used in the impairment model change.

Revenue recognition – occurrence, completeness and accuracy (Notes 3, 4, 7 and 8)

Revenue from the rendering of services which includes after-sales service and maintenance, consulting and construction contracts for renewable energy systems is recognised when the Group and Company satisfies performance obligations which is based on the stage of completion of the contract activity at the reporting date. For this purpose, the stage of completion set as at the reporting date and the expected future costs to completion are assessed. The Group CFO discusses and monitors status of scoped projects per relevant contracts. The projects are discussed at meetings of the Board of Directors at the request of the CFO.

The stage of completion method involves significant scope for judgment by Management in terms of determining the correct amount and timing of revenue recognition, including estimated cost required to complete the contract, which could have a material impact on the consolidated financial statements. In addition, revenue recognition is deemed a significant risk during the performance of our audit. As a result, we considered these as key audit matters.

Our responses

The following audit work has been performed to address the risks:

- We understand the Group's estimation process (including the approval of project budget, monitoring of project costs and activities, and management's review and customer's approval of project's stage of completion used in determining the amounts of revenue from the rendering of services and related costs recognised in the financial statements.
- For significant customer contracts, we challenged the management's assessment with regard to estimating the stage of completion by reviewing the underlying customer agreements and verifying the extent and timing of delivery acceptance from customer for consistency.
- Examined invoice copies including proof of acceptances including tracing of customer payments to ensure revenue has occurred.
- Obtained management's projections of expected future costs and tested the estimate for consistency with the status of delivery and customer acceptances and sign off from customers to identify possible delays in achieving milestones, which require changes in estimated costs or efforts to complete the remaining performance obligations including how this costs will be funded for the project to close.
- Reviewed adequacy of disclosures made in the financial statements as required by the related IFRS as adopted by the European Union.

Our planned audit procedures were completed without material exception.

Impairment of Investments accounted for using the equity method - valuation (Notes 3, 15 and 21)

There is a risk that investments accounted for using the equity method held by the Group and Company including financial assets are not recoverable at financial year-end. During the financial year, the Group and Company have impaired these investments amounting to €2,619,234 (2022: €4,712,490).

Significant auditor's attention was deemed appropriate because of the materiality of the investments accounted for using the equity method. In addition, the impairment of the Company's investments accounted for using the equity method is a key judgmental area due to the level of subjectivity in estimating its recoverability such as the financial condition of the counterparties and their expected future cash flows. As a result, we considered these as key audit matters.

Our responses
The following audit work has been performed to address the risks:

- Reviewed client prepared memos where management assessed the appropriate accounting, recoverability and presentation of each of the investments and financial assets.
- Evaluated and challenged management's future cash flow forecasts and the process by which they were drawn up and tested the integrity and mathematical accuracy of the impairment model;
- Tested the significant assumptions and estimates used in preparing the cash flows which includes revenue forecasts, gross profit rates and discount rates and reviewed reasonableness of growth rates used for the projection and compared them against proven track record of performance. In addition, we assessed recoverability of the investments by inspecting the investee's financial statements and other relevant documentation and ensured that the investments were recoverable and that no provisions were necessary.
- Reviewed elimination of gains and losses resulting from downstream transactions between the Company and its associates to confirm gains or losses are recognised only to the extent of unrelated investors' interests in the associates.
- Reviewed minutes of board meetings for increase or decreases in rights including any existing litigations and claims on investments held including agreeing whether considerations have been agreed to be paid.
- Reviewed adequacy of disclosures made in the financial statements as required by the related IFRS as adopted by the European Union.

Our planned audit procedures were completed without material exception.

Impairment of certain financial assets - valuation (Notes 3, 22, 25, 26)
There is a risk that financial assets such as development assets and loans receivables from project development undertakings held by the Group and Company are not recoverable at financial year-end. During the financial year, the Group and Company have impaired these financial assets amounting to €8,132,096 (2022: Nil).

Significant auditor's attention was deemed appropriate because of the materiality of these financial assets. In addition, the impairment of the Company's financial assets is a key judgmental area due to the level of subjectivity in estimating its recoverability such as the financial condition of the counterparties and their expected future cash flows. As a result, we considered these as key audit matters.

Our responses
The following audit work has been performed to address the risks:

- Obtained understanding of the process in place including evaluation of the design of controls relevant to the valuation of loans receivable from project development undertakings and related impairment provisions.
- Reviewed management simplified assessment which includes the potential for default, historical experience and forward-looking information. This also includes review of appropriate accounting, recoverability and presentation of each of the financial assets..
- Evaluated and challenged management's assumptions such as status and future plans for the projects and estimated future cash flow for these projects.
- Reviewed minutes of board meetings for any existing litigations and claims with project developers, future plans for projects and agreeing whether considerations have been agreed to be paid.
- Reviewed adequacy of disclosures made in the financial statements as required by the related IFRS as adopted by the European Union.

Our planned audit procedures were completed without material exception.

OTHER INFORMATION

Other information comprises information included in the annual report, other than the financial statements and the auditor's report thereon, including the Chairman's Statement, Chief Executive's Report, Corporate Governance Statement and Directors' Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY THE COMPANIES ACT 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements. Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by sections 305 to 312 of the Act have not been made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

RESPONSIBILITIES OF THE AUDITOR FOR THE AUDIT OF THE FINANCIAL STATEMENTS

The objectives of an auditor are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (Ireland). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Stock Exchange Listing Rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the local laws and tax: Companies Act 2014 and Irish tax legislation. As the Company and Group operates in the technology development and services industry, the Audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management, board and audit committee on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Company and Group's regulatory and legal correspondence and review of minutes of director's meetings during the year to corroborate inquiries made;
- gaining an understanding of the Company and Group's current activities, the scope of authorisation

and the effectiveness of its control environment;

- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities or fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including impairment assessment of goodwill, investments, trade debtors and revenue recognition; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cathal Kelly

Cathal Kelly
For and on behalf of
Grant Thornton
Chartered Accountants &
Statutory Audit Firm

Dublin 2, Ireland
27 June 2024

Financial statements

Paper waste at Grande-Combe waste management facility that will supply wood waste and RDF to Idex-owned syngas plant built around EQTEC techology in Doubs, France.

Consolidated statement of profit or loss

for the financial year ended 31 December 2023

	NOTES	2023 €	2022 RESTATED €
Revenue	8	**2,546,975**	7,970,072
Cost of sales		**(2,174,345)**	(7,002,314)
Gross profit		**372,630**	967,758
Operating income/(expenses)			
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)		**(48,212)**	156,835
Operating loss		**(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)
Significant and non-recurring transactions:			
Impairment of equity-accounted investment	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	**-**	(154,205)
Loss before taxation	14	**(23,757,878)**	(10,430,405)
Income tax	16	**(22,768)**	(60,934)
Loss for the year from continuing operations		**(23,780,646)**	(10,491,339)
Profit/(loss) for the year from discontinued operations	35	**271,954**	(33,776)
LOSS FOR THE FINANCIAL YEAR		**(23,508,692)**	(10,525,115)
Loss attributable to:			
Owners of the Company		**(23,508,657)**	(10,525,104)
Non-controlling interest		**(35)**	(11)
		(23,508,692)	(10,525,115)
		2023 € PER SHARE	**2022 RESTATED € PER SHARE**
Basic loss per share:			
From continuing operations	17	**(0.208)**	(0.117)
From discontinued operations	17	**0.002**	-
Total basic loss per share	17	**(0.206)**	(0.117)
Diluted loss per share:			
From continuing operations	17	**(0.208)**	(0.117)
From discontinued operations	17	**0.002**	-
Total diluted loss per share	17	**(0.206)**	(0.117)

The notes on pages 67 to 113 form part of these financial statements.

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

	2023 €	2022 €
Loss for the financial year	**(23,508,692)**	(10,525,115)
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences arising on retranslation of foreign operations	**179,037**	(478,066)
Other comprehensive income/(loss) for the year	**179,037**	(478,066)
Total comprehensive loss for the financial year	**(23,329,655)**	(11,003,181)
Attributable to:		
Owners of the company	**(23,282,246)**	(11,128,847)
Non-controlling interests	**(47,409)**	125,666
	(23,329,655)	(11,003,181)

Consolidated statement of financial position
at 31 December 2023

	NOTES	2023 €	2022 €
ASSETS			
Non-current assets			
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	**6,715**	171,186
Total non-current assets		**19,632,145**	29,230,418
Current assets			
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	**262,019**	1,693,116
Total current assets		**9,985,851**	20,393,792
Total assets		**29,617,996**	49,624,210

The notes on pages 67 to 113 form part of these financial statements.

CTO Yoel Alemán Méndez and O&M Senior Engineer Oscar Velasco review the SCADA and chromatograph at the EQTEC Italia MDC reference plant.

The notes on pages 67 to 113 form part of these financial statements.

Consolidated statement of financial position
at 31 December 2023 – continued

	NOTES	2023 €	2022 €
EQUITY AND LIABILITIES			
Equity			
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		**(100,588,165)**	(77,305,919)
Equity attributable to the owners of the company		**23,520,758**	39,391,162
Non-controlling interests	29	**(2,305,932)**	(2,258,523)
Total equity		**21,214,826**	37,132,639
Non-current liabilities			
Borrowings	30	**2,457,984**	1,064,598
Lease liabilities	31	**400,518**	-
Total non-current liabilities		**2,858,502**	1,064,598
Current liabilities			
Trade and other payables	32	**2,853,641**	6,264,404
Borrowings	30	**2,488,229**	5,106,038
Lease liabilities	31	**202,798**	56,531
Total current liabilities		**5,544,668**	11,426,973
Total equity and liabilities		**29,617,996**	49,624,210

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 67 to 113 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 ATTRIBUTABLE TO OWNERS OF THE COMPANY €	NON-CONTROLLING INTERESTS €	TOTAL €
Balance at 1 January 2022	**25,977,130**	**83,610,562**	**2,353,868**	**(66,177,072)**	**45,764,488**	**(2,384,189)**	**43,380,299**
Issue of ordinary shares in EQTEC plc (Note 28)	769,697	3,717,379	-	-	4,487,076	-	4,487,076
Conversion of debt into equity (Notes 28)	52,757	237,672	-	-	290,429	-	290,429
Share issue costs (Note 28)	-	(362,241)	-	-	(362,241)	-	(362,241)
Employee share-based compensation (Note 10)	-	-	340,257	-	340,257	-	340,257
Transactions with owners	**822,454**	**3,592,810**	**340,257**	**-**	**4,755,521**	**-**	**4,755,521**
Loss for the financial year	-	-	-	(10,525,104)	(10,525,104)	(11)	(10,525,115)
Unrealised foreign exchange losses	-	-	-	(603,743)	(603,743)	125,677	(478,066)
Total comprehensive loss for the financial year	**-**	**-**	**-**	**(11,128,847)**	**(11,128,847)**	**125,666**	**(11,003,181)**
Balance at 31 December 2022	**26,799,584**	**87,203,372**	**2,694,125**	**(77,305,919)**	**39,391,162**	**(2,258,523)**	**37,132,639**
Issue of ordinary shares in EQTEC plc (Note 28)	1,596,560	2,399,413	-	-	3,995,973	-	3,995,973
Conversion of debt into equity (Note 28)	4,101,704	(224,713)	-	-	3,876,991	-	3,876,991
Share issue costs (Note 28)	-	(461,122)	-	-	(461,122)	-	(461,122)
Transactions with owners	**5,698,264**	**1,713,578**	**-**	**-**	**7,411,842**	**-**	**7,411,842**
Loss for the financial year	-	-	-	(23,508,657)	(23,508,657)	(35)	(23,508,692)
Unrealised foreign exchange losses	-	-	-	226,411	226,411	(47,374)	179,037
Total comprehensive loss for the financial year	**-**	**-**	**-**	**(23,282,246)**	**(23,282,246)**	**(47,409)**	**(23,329,655)**
Balance at 31 December 2023	**32,497,848**	**88,916,950**	**2,694,125**	**(100,588,165)**	**23,520,758**	**(2,305,932)**	**21,214,826**

The notes on pages 67 to 113 form part of these financial statements.

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

	NOTES	2023 €	2022 RESTATED €
Cash flows from operating activities			
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 from project development undertakings	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		**-**	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		**451,240**	(319,440)
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		**(1,020,070)**	(274,938)
Net cash used in operating activities – continuing operations		**(6,777,086)**	(10,469,660)
Finance income	11	**(121,320)**	(316,805)
Finance costs	11	**1,486,020**	589,618
Taxes paid		**145**	(108,311)
Net cash used in operating activities – continuing operations		**(5,412,241)**	(10,305,158)
Net cash used in operating activities – discontinued operations	35	**(1,448)**	(33,776)
Net cash used in operating activities		**(5,413,689)**	(10,338,934)

The notes on pages 67 to 113 form part of these financial statements.

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

	NOTES	2023 €	2022 RESTATED €
Cash flows from investing activities			
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		**39**	-
Net cash generated from/(used in) investing activities – continuing operations		**158,852**	(4,291,978)
Net cash generated from/(used in) investing activities – discontinued operations	35	**-**	(50,000)
Net cash generated from/(used in) investing activities		**158,852**	(4,341,978)
Cash flows from financing activities			
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		**(12,488)**	(3,284)
Net cash generated from financing activities - continuing operations		**3,675,559**	9,927,811
Net cash generated from financing activities – discontinued operations	35	**-**	-
Net cash generated from financing activities		**3,675,559**	9,927,811
Net decrease in cash and cash equivalents		**(1,579,278)**	(4,753,101)
Cash and cash equivalents at the beginning of the financial year		**1,693,116**	6,446,217
Cash and cash equivalents at the end of the financial year	27	**113,838**	1,693,116

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

The notes on pages 67 to 113 form part of these financial statements.

Company statement of financial position
at 31 December 2023

	NOTES	2023 €	2022 €
ASSETS			
Non-current assets			
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
Total non-current assets		**7,118,705**	24,924,403
Current assets			
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
Total current assets		**18,958,876**	29,331,939
Total assets		**26,077,581**	54,256,342
EQUITY AND LIABILITIES			
Equity			
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)
Total equity		**20,730,084**	46,811,119
Total non-current liabilities			
Borrowings	30	**2,457,984**	1,064,598
Current liabilities			
Borrowings	30	**2,242,250**	5,006,076
Trade and other payables	32	**647,263**	1,374,549
Total current liabilities		**2,889,513**	6,380,625
Total equity and liabilities		**26,077,581**	54,256,342

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:

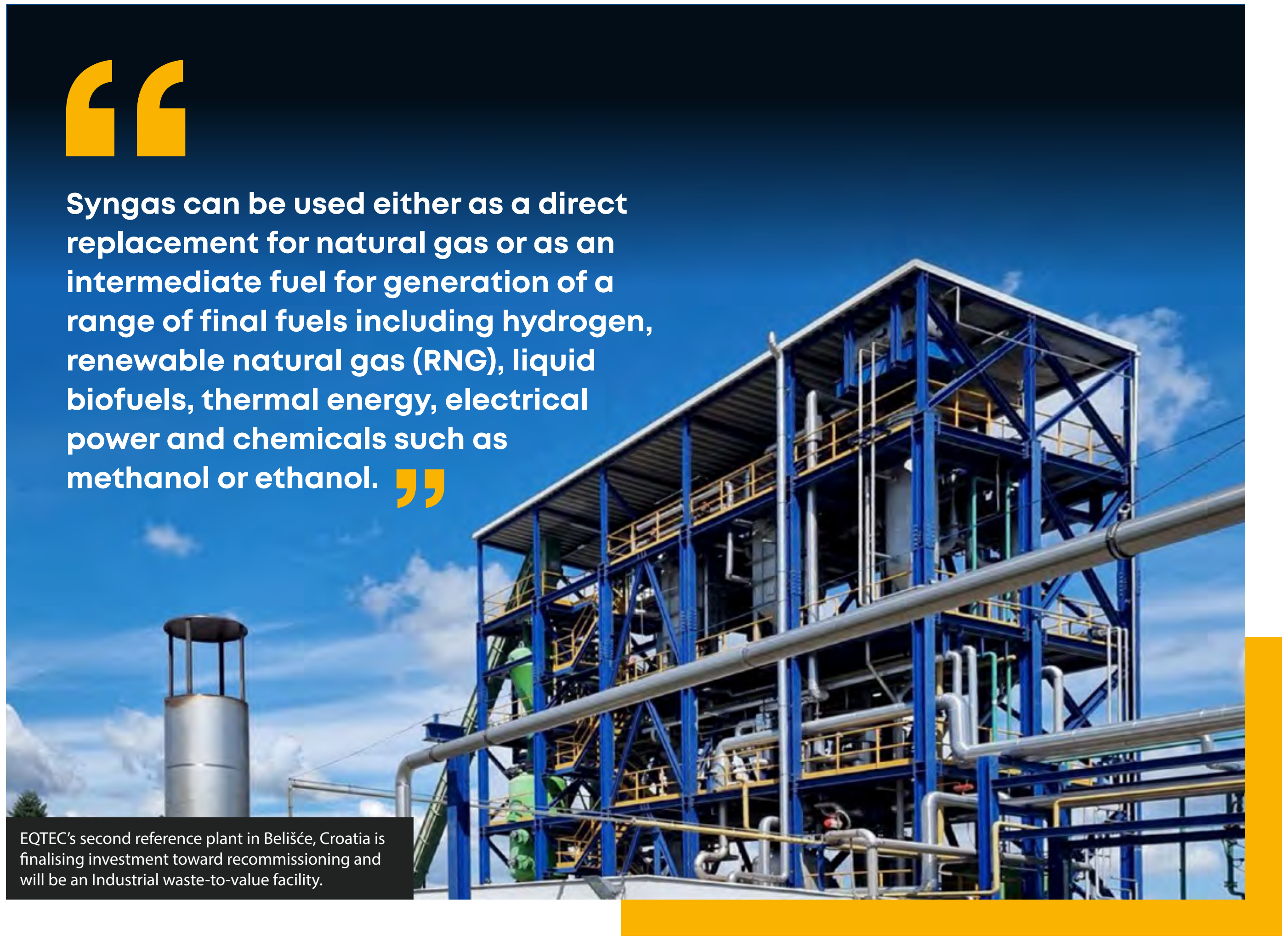
IAN PEARSON
Non-Executive Chairman

DAVID PALUMBO
Chief Executive Officer

The notes on pages 67 to 113 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)	-	-	340,257	-	340,257
Transactions with owners	**822,454**	**3,592,810**	**340,257**	**-**	**4,755,521**
Loss for the financial year (Note 39)	-	-	-	(5,216,344)	(5,216,344)
Total comprehensive loss for the financial year	**-**	**-**	**-**	**(5,216,344)**	**(5,216,344)**
Balance at 31 December 2022	**26,799,584**	**106,137,452**	**2,694,125**	**(88,820,042)**	**46,811,119**
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)	-	(461,122)	-	-	(461,122)
Transactions with owners	**5,698,264**	**1,713,578**	**-**	**-**	**7,411,842**
Loss for the financial year (Note 39)	-	-	-	(33,492,877)	(33,492,877)
Total comprehensive loss for the financial year	**-**	**-**	**-**	**(33,492,877)**	**(33,492,877)**
Balance at 31 December 2023	**32,497,848**	**107,851,030**	**2,694,125**	**(122,312,919)**	**20,730,084**



EQTEC's second reference plant in Belišće, Croatia is finalising investment toward recommissioning and will be an Industrial waste-to-value facility.

The notes on pages 67 to 113 form part of these financial statements.

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

	NOTES	2023 €	2022 €
Cash flows from operating activities			
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 investment in 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
Gains on debt for equity swap	12	**(431,962)**	(10,088)
Foreign currency losses arising from retranslation of borrowings		**43,971**	349,360
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		**(27,068)**	773,618
Net cash used in operating activities		**(3,736,365)**	(12,097,029)
Cash flows from investing activities			
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		**12**	-
Net cash used in investing activities		**(999,988)**	(1,808,085)
Cash flows from financing activities			
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	**(50,361)**	(334,557)
Net cash generated from financing activities		**3,865,018**	10,039,579
Net decrease in cash and cash equivalents		**(871,335)**	(3,865,535)
Cash and cash equivalents at the beginning of the financial year		**980,098**	4,845,633
Cash and cash equivalents at the end of the financial year	27	**108,763**	980,098

The notes on pages 67 to 113 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 C*lassification 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.

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES – CONTINUED

Statement of Compliance, Basis of Preparation and Going Concern - continued

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.

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES – CONTINUED

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.

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 one operating segment: 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.

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES – CONTINUED

Revenue - continued

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.

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES – CONTINUED

Leased assets - continued

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.

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

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES – CONTINUED

Impairment testing of goodwill, intangible assets and property, plant and equipment - continued

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 as fair value through profit or loss (FVPTL)

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.

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.

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES – CONTINUED

Financial instruments - continued

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 2022 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.

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.

3. STATEMENT OF MATERIAL ACCOUNTING POLICIES – CONTINUED

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 advisors.

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 reasonably plausible changes in trading performance 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.

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY – CONTINUED

Significant management judgements - continued

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 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.

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

4. SIGNIFICANT MANAGEMENT JUDGEMENT IN APPLYING ACCOUNTING POLICIES AND ESTIMATION UNCERTAINTY – CONTINUED

Estimation uncertainty - continued

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)	**262,019**	1,693,116

5. FINANCIAL RISK MANAGEMENT - CONTINUED

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)	**108,763**	980,098

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 €
Loans receivable from project development undertakings		
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
Trade and other receivables		
Receivable from Synergy Karlovac d.o.o. (Note 36)	**2,320,428**	2,245,191
Receivable from Synergy Belisce d.o.o. (Note 36)	**2,292,836**	2,217,523

Credit risk - continued

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**

5. FINANCIAL RISK MANAGEMENT - CONTINUED

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.

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

5. FINANCIAL RISK MANAGEMENT - CONTINUED

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:

	SEGMENT REVENUE		SEGMENT PROFIT/(LOSS)	
	2023 €	2022 €	2023 €	2022 €
Technology Sales	**2,546,975**	7,970,072	**(1,629,462)**	(988,906)
Total from continuing operations	**2,546,975**	7,970,072	**(1,629,462)**	(988,906)
Central administration costs and directors' salaries			**(2,361,673)**	(3,785,899)
Impairment costs			**-**	(2,752)
Other income			**109,672**	33,645
Other gains			**431,962**	10,088
Change in fair value of financial investments			**(26,143)**	(326,501)
Foreign currency (losses)/gains			**(48,212)**	156,835
Employee share-based compensation			**-**	(340,257)
Share of results from equity accounted investments			**(23,603)**	(52,059)
Gains from sales to equity accounted investments deferred			**-**	(28,378)
Loss arising from loss of control of subsidiaries			**-**	(489)
Impairment of equity-accounted investment			**(2,619,234)**	(4,712,490)
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			**-**	(154,205)
Finance income			**121,320**	316,805
Finance costs			**(1,486,020)**	(589,618)
Loss before taxation (continuing operations)			**(23,757,878)**	(10,464,181)

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	**192,872**	233,751	**217,574**	-
	306,248	363,835	**720,270**	83,241

7. SEGMENT INFORMATION – CONTINUED

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	**-**	2,841,093	**185,549**	35,049
	2,546,975	7,970,072	**2,793,042**	2,427,825

* Non-current assets excluding goodwill, financial instruments, deferred tax and investment in jointly controlled entities and associates. The management information provided to the chief operating decision maker does not include an analysis by reportable segment of assets and liabilities and accordingly no analysis by reportable segment of total assets or total liabilities is disclosed.

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	**1,077,386**	3,201,108
	2,546,975	7,970,072

9. OTHER INCOME

	2023 €	2022 €
Other income	**109,672**	33,645

10. EMPLOYEE SHARE-BASED PAYMENTS

	2023 €	2022 €
Expensed in the year	**-**	340,257

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 €
Finance Costs		
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	**7,556**	1,998
	1,486,020	589,618
Finance Income		
Interest receivable on loans advanced	**119,726**	279,839
Interest receivable on deferred consideration	**-**	36,966
Other interest receivable	**1,594**	-
	121,320	316,805

12. OTHER GAINS

	2023 €	2022 €
Gain/(loss) on debt for equity swap	**431,962**	10,088

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

The aggregate payroll costs of employees (including executive directors) in the Group were as follows:

	2023 €	2022 €
Salaries	**2,495,084**	2,375,349
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	**54,555**	58,897
	2,568,831	3,827,192
	No.	No.
Average number of employees (including executive directors)	**28**	27
Company Average number of employees (including executive directors)	**3**	3

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: (Note 34)		
for services as directors	**110,442**	112,860
for salaries as management	**901,379**	919,776
share-based payments	**-**	185,495
Impairment of development assets (Note 25)	**4,603,546**	2,752
Auditor's remuneration:		
Audit of Group accounts	**100,000**	93,000
Tax advisory services	**15,000**	15,000
	115,000	108,000

15. SIGNIFICANT AND NON-RECURRNING 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))	**-**	154,205

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

Income tax expense comprises:

	2023 €	2022 €
Income tax expense comprises:		
Current tax expense	**-**	-
Deferred tax credit	**-**	-
Adjustment for prior financial years	**22,768**	60,934
Tax expense	**22,768**	60,934

	2023 €	2022 €
Loss before taxation	**(23,485,924)**	(10,464,181)
Applicable tax 12.50% (2022: 12.50%)	**(2,935,741)**	(1,308,023)
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	**1,783,217**	572,123
Current tax expense	**-**	-
Adjustment for prior financial years	**22,768**	60,934
Actual tax expense	**22,768**	60,934

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.

17. LOSS PER SHARE

	2023 € PER SHARE	2022 RESTATED € PER SHARE
Basic loss per share		
From continuing operations	**(0.208)**	(0.117)
From discontinued operations	**0.002**	-
Total basic loss per share	**(0.206)**	(0.117)
Diluted loss per share		
From continuing operations	**(0.208)**	(0.001)
From discontinued operations	**0.002**	-
Total diluted loss per share	**(0.206)**	(0.001)

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

	2023 €	2022 RESTATED €
Loss for financial year attributable to equity holders of the parent	**(23,508,657)**	(10,525,104)
Profit/(loss) for the financial year from discontinued operations used in the calculation of basic earnings per share from discontinued operations	**271,954**	(33,776)
Losses used in the calculation of basic loss per share from continuing operations	**(23,780,611)**	(10,491,328)
	No.	**No. (Restated)**
Weighted average number of ordinary shares for the purposes of basic loss per share	**114,129,384**	89,660,843
Weighted average number of ordinary shares for the purposes of diluted loss per share	**114,129,384**	89,660.843

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.

	2023	2022 RESTATED
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
Total anti-dilutive shares	**237,552,172**	10,678,817

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).

Notes to the Financial Statements

18. PROPERTY, PLANT AND EQUIPMENT

GROUP	RIGHT OF USE ASSETS €	OFFICE EQUIPMENT €	CONSTRUCTION IN PROGRESS €	TOTAL €
Cost				
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	**707,388**	**98,806**	**-**	**806,194**
Accumulated depreciation				
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	**110,155**	**80,405**	**-**	**190,560**
Carrying amount				
At 31 December 2022	57,520	25,533	50,000	133,053
At 31 December 2023	**597,233**	**18,401**	**-**	**615,634**

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

	2023 €	2022 €
Leasehold buildings	**597,233**	57,520

COMPANY	OFFICE EQUIPMENT €	TOTAL €
Cost		
At 1 January 2022, at 31 December 2022 and at 31 December 2023	**1,233**	**1,233**
Accumulated depreciation		
At 1 January 2022, at 31 December 2022 and at 31 December 2023	**1,233**	**1,233**
Carrying amount		
At 1 January 2023	**–**	–
At 31 December 2023	**–**	**–**

19. INTANGIBLE ASSETS

GROUP	GOODWILL €	OTHER INTANGIBLES €	PATENTS €	TOTAL €
Cost				
At 1 January 2022 and at 31 December 2022	**16,710,497**	**-**	**2,492,059**	**19,202,556**
Additions, separately acquired	-	7,300	-	7,300
As at 31 December 2023	**16,710,497**	**7,300**	**2,492,059**	**19,209,856**
Amortisation and Impairment				
At 1 January 2022	1,427,038	-	72,685	1,499,723
Amortisation	-	-	124,602	124,602
At 31 December 2022	**1,427,038**	-	**197,287**	**1,624,325**
Amortisation	-	61	124,603	124,664
Impairment	5,283,459	-	-	5,283,459
As at 31 December 2023	**6,710,497**	**61**	**321,890**	**7,032,448**
Carrying value				
As at 31 December 2022	15,283,459	-	2,294,772	17,578,231
As at 31 December 2023	**10,000,000**	**7,239**	**2,170,169**	**12,177,408**

COMPANY	PATENTS €	TOTAL €
Cost		
As at 1 January 2022, 31 December 2022 and as at 31 December 2023	**2,492,059**	**2,492,059**
Amortisation and Impairment		
At 1 January 2022	72,685	72,685
Amortisation	124,602	124,602
At 31 December 2022	**197,287**	**197,287**
Amortisation	124,603	124,603
At 31 December 2023	**321,890**	**321,890**
Carrying value		
As at 31 December 2022	2,294,772	2,294,772
As at 31 December 2023	**2,170,169**	**2,170,169**

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).

19. INTANGIBLE ASSETS – CONTINUED

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

	2023 €	2022 €
EQTEC Iberia SLU	**10,000,000**	15,283,459

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 investments 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.

20. INVESTMENT IN SUBSIDIARY UNDERTAKINGS – CONTINUED

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
Altilow 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 nº 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.

20. INVESTMENT IN SUBSIDIARY UNDERTAKINGS – CONTINUED

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		NON-CONTROLLING INTERESTS	
		2023 €	2022 €	2023 €	2022 €	2023 €	2022 €
Newry Biomass Limited	Northern Ireland	**49.98**	49.98	**(32)**	(11)	**(2,410,932)**	(2,363,523)
Individually immaterial subsidiaries with non-controlling interests		**0.00**	0.00	**-**	-	**105,000**	105,000
Total				**(32)**	(11)	**(2,305,932)**	(2,258,523)

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	COUNTY OF INCORPORATION	SHAREHOLDING	REGISTERED OFFICE	PRINCIPAL ACTIVITY
Biogaz Gardanne SAS	France	100%	28 Cours Albert 1er, 75008 Paris, France	Vehicle to fulfil energy requirements

Biogaz Gardanne 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 23.

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2023 €	2022 €
GROUP		
Investment in associate undertakings (a)	**3,474,359**	4,263,604
Investment in joint ventures (b)	**3,358,029**	3,355,910
	6,832,388	7,619,514
COMPANY		
Investment in associate undertakings (a)	**-**	2,728,959
a) Investment in associate undertakings		
GROUP		
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	**940**	130,600
At end of financial year	**3,474,359**	4,263,604
Made up as follows:		
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	**(56,583)**	(170,218)
	3,474,359	4,263,604

Investment in associate undertakings

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

		SHAREHOLDING		
NAME OF ASSOCIATE UNDERTAKING	COUNTY OF INCORPORATION	2023	2022	PRINCIPAL ACTIVITY
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

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD – CONTINUED

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	**(14,873,565)**	**(991,939)**	**(15,865,504)**	90,586	(869,152)	(778,566)
Net Assets	**2,341,180**	**1,336,816**	**3,677,996**	4,634,029	83,821	4,717,850
Reconciliation to carrying amount						
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)**	-	-	-
Carrying amount	**-**	**3,474,359**	**3,474,359**	2,613,646	1,649,958	4,263,604
Summarised income statement						
Revenue	**-**	**4,615**	**4,615**	6,105	-	6,105
(Loss)/Profit after tax for period	**17,718**	**(72,009)**	**(54,291)**	(73,613)	12,937	(60,676)
Other comprehensive income	**-**	**-**	**-**	–	-	-
Total comprehensive income/(loss)	**17,718**	**(72,009)**	**(54,291)**	(73,613)	12,937	(60,676)
Reconciliation to Group's share of total comprehensive income						
Group's share of total comprehensive income	**4,673**	**(17,250)**	**(12,577)**	(34,216)	2,590	(31,626)
Group's share of total comprehensive income	**4,673**	**(17,250)**	**(12,577)**	(34,216)	2,590	(31,626)

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD – CONTINUED

COMPANY	2023 €	2022 €
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	-	131,963
At end of financial year	-	2,728,959
Made up as follows:		
Investment in shares in associate undertakings	-	2,728,959

b) Investment in joint ventures

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

GROUP	2023 €	2022 €
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	**88,425**	93,124
Interests in joint ventures	**3,358,028**	3,355,910

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

		SHAREHOLDING		
NAME OF JOINT VENTURE	COUNTRY OF INCORPORATION	2023	2022	PRINCIPAL ACTIVITY
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	Cyrprus	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).

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD – CONTINUED

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) EQTEC 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. EQTEC 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	**3,358,029**	3,355,910
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	**(173,099)**	(162,069)
	3,358,029	3,355,910

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD – CONTINUED

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			
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 €
Summarised balance sheet (100%)								
Non-current assets	**4,279,612**	**3,236,785**	**-**	**7,516,397**	4,278,173	3,235,696	-	7,513,869
Current assets								
Cash and Cash equivalents	**103**	**655**	**296**	**1,054**	124	580	424	1,128
Other current assets	**188,366**	**169,685**	**203,023**	**561,074**	187,340	168,592	203,022	558,954
	188,469	**170,340**	**203,319**	**562,128**	187,464	169,172	203,446	560,082
Non-current liabilities	**-**	**-**	**-**	**-**	-	-	-	-
Current liabilities								
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	**2,213,242**	**2,263,141**	**126,423**	**4,602,806**	2,212,103	2,259,812	117,521	4,589,436
	4,469,479	**3,445,275**	**226,423**	**8,141,177**	4,462,983	3,434,151	217,521	8,114,655
Net (liabilities)/assets (100%)	**(1,398)**	**(38,150)**	**(23,104)**	**(62,652)**	2,654	(29,283)	(14,075)	(40,704)
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 control in period	**-**	**-**	**-**	**-**	(489)	-	-	(489)
Carrying amount	**2,174,543**	**1,095,061**	**88,425**	**3,358,029**	2,171,174	1,091,612	93,124	3,355,910

21. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD – CONTINUED

	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 €
Summarised income statement (100%)								
Revenue	**-**	**13,737**	**-**	**13,737**	-	-	-	-
Depreciation	**-**	**-**	**-**	**-**	-	-	-	-
Amortisation	**-**	**-**	**-**	**-**	-	-	-	-
Interest expenses	**3**	**77**	**-**	**80**	-	23	-	23
Taxation	**-**	**-**	**-**	**-**	-	-	-	-
Loss after tax	**(4,053)**	**(8,857)**	**(9,380)**	**(22,290)**	(6,584)	(27,167)	(7,776)	(41,527)
Other comprehensive income	**-**	**-**	**-**	**-**	-	-	-	-
Total comprehensive loss	**(4,053)**	**(8,857)**	**(9,380)**	**(22,290)**	(6,584)	(27,167)	(7,776)	(41,527)
Reconciliation to Group's share of total comprehensive income								
Group's share of total comprehensive loss	**(1,986)**	**(4,340)**	**(4,699)**	**(11,025)**	(3,226)	(13,312)	(3,896)	(20,434)
Group's share of total comprehensive loss	**(1,986)**	**(4,340)**	**(4,699)**	**(11,025)**	(3,226)	(13,312)	(3,896)	(20,434)

22. FINANCIAL ASSETS

GROUP	2023 €	2022 €
Investment in related undertakings		
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	**77,202**	(207,952)
At end of the financial year	**-**	3,728,434

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 €
Group		
Financial investments at amortised cost		
Investment in unconsolidated subsidiary (Biogaz Gardanne SAS)	**1,000**	-
Investment in previously consolidated company Grande-Combe SAS	**50**	-
Convertible loan note in Metal NRG plc	**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	**(17,250)**	(17,250)
	6,715	112,983
Financial investments at fair value through profit or loss (FVTPL)		
Investment in Metal NRG plc	**33,199**	58,203
Less: Provision against investment in Metal NRG plc	**(33,199)**	-
	-	58,203
Total	**6,715**	171,186
Company		
Financial investments at amortised cost		
Convertible loan note in Metal NRG plc	**115,322**	112,983
Less: Provision against convertible loan note	**(115,322)**	-
	-	112,983
Financial investments at fair value through profit or loss (FVTPL)		
Investment in Metal NRG plc	**33,199**	58,203
Less: Provision against investment in Metal NRG plc	**(33,199)**	-
	-	58,203
Total	**-**	171,186

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:

	2023 €	2022 €
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	**(148,521)**	-
At end of financial year	**6,715**	171,186

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

GROUP	2023 €	2022 €
Costs associated with project development undertakings	**613,516**	6,033,543
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	**(3,528,550)**	-
	2,066,099	5,446,087

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.

COMPANY	2023 €	2022 €
Costs associated with project development	**88,129**	1,258,191
Loan receivable from project development undertakings		
Convertible loans	**2,883,057**	2,824,572
Other loans	**645,493**	597,329
Less: Loss Allowance	**(3,528,550)**	-
	-	3,421,901

26. TRADE AND OTHER RECEIVABLES

GROUP	2023 €	2022 €
Trade receivables gross	**7,268,720**	5,961,004
Allowance for credit losses	**(875,687)**	(475,687)
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	**132,950**	322,587
	7,044,217	7,221,046

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	**5,681,527**	4,893,418
	7,268,720	5,961,004

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.

26. TRADE AND OTHER RECEIVABLES - CONTINUED

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	**1,678,756**	1,635,214
	7,268,720	5,961,004

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:

	€
Opening loss allowance as at 1 January 2022	475,687
Loss allowance recognised during the financial 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	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.

COMPANY	2023 €	2022 €
Amounts due from subsidiary undertakings	**23,997,996**	20,731,916
Allowance for impairment of balances	**(9,004,018)**	-
	14,993,978	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	**3,126**	2,916
	18,761,984	23,671,749

26. TRADE AND OTHER RECEIVABLES – CONTINUED

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:

	€
Opening loss allowance as at 1 January 2022	30,000
Loss allowance recognised during the financial 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	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 from subsidiary undertakings loss allowance as at 31 December 2023 reconciles with the amounts due from subsidiary undertakings opening balance as follows:

	€
Opening loss allowance at 1 January and at 31 December 2022	-
Loss allowance recognised during the financial year	9,004,018
Loss allowance as at 31 December 2023	**9,004,018**

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 €
Group		
Cash and bank balances	**262,019**	1,693,116
Bank overdrafts (Note 30)	**(148,181)**	-
	113,838	1,693,116
Company		
Cash and bank balances	**108,763**	980,098

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

28. EQUITY

Share Capital

AT 31 DECEMBER 2022	AUTHORISED NUMBER	ALLOTTED AND CALLED UP NUMBER	AUTHORISED €	ALLOTTED AND CALLED UP €
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	7,438,909	7,438,909
			200,000,000	26,799,584

AT 31 DECEMBER 2023	AUTHORISED NUMBER	ALLOTTED AND CALLED UP NUMBER	AUTHORISED €	ALLOTTED AND CALLED UP €
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**	**23,184,982**	**13,304,883**
			213,200,000	**32,497,848**

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.

28. EQUITY – CONTINUED

Movements in the financial year to 31 December 2023

AMOUNTS OF SHARES	2023	2022
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
– Issued in exchange for financial instruments	**-**	750,000,000
– Share issue placement	**1,596,560,373**	750,000,000
– Consolidation of shares from €0.001 to €0.01	**(14,783,204,492)**	-
Total Ordinary shares of €0.001 each authorised, issued and fully paid at the end of the financial year	**-**	9,421,479,112
Ordinary Shares of €0.001 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	**33,653,846**	-
Total Ordinary shares of €0.001 each authorised, issued and fully paid at the end of the financial year	**181,485,890**	-

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).

NO OF WARRANTS/OPTIONS	EXERCISE PRICE (PENCE)	FINAL EXERCISE DATE
9,999,847	33	30/03/2025
43,670,884	7.878	19/11/2027
230,450	1	31/01/2032
1,886,487	1	30/04/2033
55,787,668		

Details of warrants and options granted

	LTIP 2022 OPTIONS		LTIP 2023 OPTIONS		LENDER WARRANTS		EMPLOYEE WARRANTS		EMPLOYEE OPTIONS	
	NUMBER	EXERCISE PRICE (PENCE)	NUMBER	EXERCISE PRICE (PENCE)	NUMBER	EXERCISE PRICE (PENCE)	NUMBER	EXERCISE PRICE (PENCE)	NUMBER	EXERCISE PRICE (PENCE)
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	

	PLACING WARRANTS 2023	
	NUMBER	EXERCISE PRICE (PENCE)
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

	2023 €	2022 €
Balance at beginning of financial year	**(2,258,523)**	(2,384,189)
Share of loss for the financial year	**(35)**	(11)
Unrealised foreign exchange gains/(losses)	**(47,374)**	125,677
Balance at end of financial year	**(2,305,932)**	(2,258,523)

30. BORROWINGS

	2023 €	2022 €
Group		
Current liabilities		
At amortised cost		
Unsecured loan facility (USLF)	**-**	5,006,076
Secured loan facility (SLF)	**2,242,250**	-
Other loans	**97,798**	99,962
Bank overdraft	**148,181**	-
	2,488,229	5,106,038
Non-current liabilities		
At amortised cost		
Unsecured shareholder loan (USSL)	**-**	1,064,598
Secured loan facility (USLF)	**1,635,275**	-
New syndicated facility (NSF)	**822,709**	-
	2,457,984	1,064,598

	2023 €	2022 €
Company		
Current liabilities		
At amortised cost		
Unsecured loan facility (USLF)	**-**	5,006,076
Secured loan facility (SLF)	**2,242,250**	-
	2,242,250	5,006,076
Non-current liabilities		
At amortised cost		
Unsecured shareholder loan (USSL)	**-**	1,064,598
Secured loan facility (USLF)	**1,635,275**	-
New syndicated facility (NSF)	**822,709**	-
	2,457,984	1,064,598

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.

30. BORROWINGS – CONTINUED

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) €	TOTAL €
Balance at 1 January 2022	-	-	-	257,708	257,708
Financing Cash Flows					
Proceeds from borrowings	5,981,262	1,157,520	98,068	-	7,236,850
Repayment of borrowings and lease liabilities	(919,931)	-	-	(206,552)	(1,126,483)
Loan issue costs paid	(328,769)	(5,788)	-	-	(334,557)
Total from financing cash flows	4,732,562	1,151,732	98,068	(206,552)	5,775,810
Non-cash changes					
Capitalisation of leases	-	-	-	4,042	4,042
Effect of changes in foreign exchange rates	(303,002)	(27,615)	(303)	(3,667)	(334,587)
Amortisation of loan issue costs	243,825	896	-	-	244,721
Other changes	332,691	(60,415)	2,197	5,000	279,473
Total non-cash changes	273,514	(87,134)	1,894	5,375	193,649
Balance at 31 December 2022	5,006,076	1,064,598	99,962	56,531	6,227,167

Other changes include interest accruals and payments.

30. BORROWINGS – CONTINUED

Reconciliation of liabilities arising from financing activities - continued

	USLF €	SLF €	USSL €	NSF €	OTHER LOANS €	BANK OVERDRAFT €	LEASE LIABILITIES (NOTE 31) €	TOTAL €
Balance at 1 January 2023	**5,006,076**	**-**	**1,064,598**	**-**	**99,962**	**-**	**56,531**	**6,227,167**
Financing Cash Flows								
Proceeds from borrowings	-	-	1,373,190	918,762	-	-	-	2,291,952
Repayment of borrowings and lease liabilities	(424,594)	-	(1,707,919)	-	(2,197)	-	(174,773)	(2,309,483)
Loan issue costs paid	(3,423)	(34,386)	-	(6,877)	-	-	-	(44,686)
Total from financing cash flows	**(428,017)**	**(34,386)**	**(334,729)**	**911,885**	**(2,197)**	**-**	**(174,773)**	**(62,217)**
Non-cash changes								
Capitalisation of leases	-	-	-	-	-	-	706,705	706,705
Conversion of debt into equity	(1,010,519)	(640,727)	(1,296,226)	(65,334)	-	-	-	(3,012,806)
Effect of changes in foreign exchange rates	71,239	22,833	13,016	3,084	33	-	1,212	111,417
Redemption fee levied	-	-	250,294	-	-	-	-	250,294
Commitment fee levied	-	-	100,293	-	-	-	-	100,293
Transfers	(4,280,754)	4,256,684	-	24,070	-	-	-	-
Transfer from cash and cash equivalents	-	-	-	-	-	148,181	-	148,181
Amortisation of loan i ssue costs	305,530	43,144	68,294	7,962	-	-	-	424,930
Other changes	336,445	229,977	134,460	(58,958)	-	-	13,641	655,565
Total non-cash changes	**(4,578,059)**	**3,911,911**	**(729,869)**	**(89,176)**	**33**	**148,181**	**721,558**	**(615,421)**
Balance at 31 December 2023	**-**	**3,877,525**	**-**	**822,709**	**97,798**	**148,181**	**603,316**	**5,549,529**

Other changes include interest accruals and payments.

31. LEASES

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

GROUP	2023 €	2022 €
Current	**202,798**	56,531
Non-current	**400,518**	–
	603,316	56,531

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.

31. LEASES - CONTINUED

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised 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:

	MINIMUM LEASE PAYMENTS DUE						
	WITHIN 1 YEAR €	1-2 YEARS €	2-3 YEARS €	3-4 YEARS €	4-5 YEARS €	AFTER 5 YEARS €	TOTAL €
2023							
Lease payments	**218,124**	**184,420**	**105,600**	**105,600**	**22,000**	**-**	**635,744**
Finance charges	**(15,326)**	**(9,270)**	**(5,391)**	**(2,343)**	**(98)**	**-**	**(32,428)**
Net Present Values	**202,798**	**175,150**	**100,209**	**103,257**	**21,902**	**-**	**603,316**
2022							
Lease payments	56,849	-	-	-	-	-	56,849
Finance charges	(318)	-	-	-	-	-	(318)
Net Present Values	56,531	-	-	-	-	-	56,531

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	**27,452**	10,294
	85,297	26,425

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	597,233	168,187	-
Total Right-of-use assets	**597,233**	**168,187**	-

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.

32. TRADE AND OTHER PAYABLES

GROUP	2023 €	2022 €
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	**117,121**	115,102
	2,853,641	6,264,404

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).

COMPANY	2023 €	2022 €
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	**260,615**	1,115,163
	647,263	1,374,549

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. DEFERRED INCOME – GOVERNMENT GRANTS

GROUP	2023 €	2022 €
Government Grant	**300,000**	-

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.

Notes to the Financial Statements

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	**(523,817)**
Net liabilities disposed of	**(46,375)**
Gain on disposal	**273,402**
Total Consideration	**227,027**
Satisfied by:	
Cash and cash equivalents	**226,977**
Minority interest retained	**50**
Total consideration transferred	**227,027**
Net cash inflow arising on disposal	
Consideration received in cash and cash equivalents	**226,977**
Less: Cash equivalents disposed of	**(1,404)**
	225,573

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	**(1,448)**	(33,776)
Taxation	**-**	-
	(1,448)	(33,776)
Profit after tax on disposal of subsidiary (Note 34)	**273,402**	-
Profit/(loss) for the financial year from discontinued operations (attributable to owners of the Company)	**271,954**	(33,776)

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	**(1,448)**	(83,776)

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 €000'S	SHORT TERM INCENTIVES €'000S	LONG TERM INCENTIVES €000'S	2023 TOTAL €'000S	2022 TOTAL €'000S
Executive Directors										
D Palumbo		259	-	13	7	-	(83)	-	**196**	419
J Vander Linden		259	-	13	10	-	(83)	-	**199**	422
Y Alemán Méndez		194	-	-			(55)	-	**139**	276
Former Executive Directors										
N Babar	Resigned 17/11/2023	190	-	9	4	-	(62)	-	**141**	323
Non-Executive Directors										
I Pearson		-	69	-	-	-	-	-	**69**	71
T Quigley		-	41	-	-	-	-	-	**41**	42
Total 2023		**902**	**110**	**35**	**21**	**-**	**(283)**	**-**	**785**	**-**
Total 2022		920	113	36	24	-	275	185	-	1,553

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).

36. RELATED PARTY TRANSACTIONS - CONTINUED

	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 €
Loans to associated undertakings and joint ventures												
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	3,621,307
Advanced during year	-	528,085	4,600	1,706,258	11,100	618,356	334,750	-	-	-	350,450	2,852,699
Repaid in year	-	-	-	(8,694)	(3,700)	(31,324)	(32,000)	-	-	-	(35,700)	(40,018)
Acquisition of loans	-	-	-	-	-	-	623,234	-	-	-	623,234	-
Debtor reclassified as loan	-	-	-	-	-	-	554,067	1,161,000	-	-	554,067	1,161,000
Payables reclassified	-	-	-	-	-	-	279,000	-	-	-	279,000	-
Loans derecognised	-	-	-	-	-	-	(252,500)	-	-	-	(252,500)	-
Interest charged in year	-	177,069	-	-	-	-	71,562	19,119	-	-	71,562	196,188
Loans reclassified as investment (see below)	-	(2,728,959)	-	-	-	-	(487,545)	(15,952)	-	-	(487,545)	(2,744,911)
Exchange differences	-	131,963	756	(2,006)	394	(1,671)	-	-	-	-	1,150	128,286
At end of year	**-**	**-**	**2,252,722**	**2,247,366**	**1,178,406**	**1,170,612**	**2,747,141**	**1,656,573**	**100,000**	**100,000**	**6,278,269**	**5,174,551**
Sales of goods and services												
Technology sales	20,341	-	75,000	1,000,000	75,000	-	149,263	3,500,000	-	-	319,604	4,500,000
Development fees	-	-	-	245,010	-	115,005	-	-	-	-	-	360,015
	20,341	**-**	**75,000**	**1,245,010**	**75,000**	**115,005**	**149,263**	**3,500,000**	**-**	**-**	**319,604**	**4,860,015**
Other income	**-**	**-**	**-**	**-**	**-**	**-**	**108,932**	**-**	**-**	**-**	**108,932**	**-**
Year-end balances												
Included in trade receivables	20,341	-	2,292,836	2,217,523	2,320,428	2,245,191	68,341	609,000	-	-	4,701,946	5,874,214
Included in other receivables	-	-	-	-	12,426	12,421	100	100	18,956	16,956	31,482	29,477
Included in other payables	-	-	-	-	-	-	129,737	-	-	-	129,737	-

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 S.p.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 Gallina, 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 S.p.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.

37. EVENTS AFTER THE BALANCE SHEET DATE – CONTINUED

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 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.

37. EVENTS AFTER THE BALANCE SHEET DATE – CONTINUED

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	**3,876,990**	290,429

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.

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