



QUARTERLY OPERATIONS REVIEW AND APPENDIX 4C

The Directors of Integrated Green Energy Solutions Ltd (“IGES” or “the Company”) are pleased to provide Shareholders with an update of activities for the Company during the December quarter.

Amsterdam Permit Revisions Approved

As announced on 23 October 2019, the Amsterdam Competent Authority (“CA”) formally approved amendments to the operating permit previously granted (permit number OLO-1130151) so that the facility has extended storage capacity and an expanded footprint to allow for future growth. These amendments along with the previous permissions to operate are now encapsulated in the one revised permit.

In addition, a comprehensive commissioning plan for the Amsterdam facility was formally submitted to the CA. This plan was prepared in conjunction with the CA and covers areas such as:

- Cold commissioning;
- Hot commissioning;
- Solvent extraction testing;
- Other testing; and
- Full process commissioning with plastics.

In response to the comprehensive commissioning plan submitted to the CA, IGE received a positive response that stated that the Company is permitted to proceed with the proposed commissioning programme submitted, subject to a caveat of further protections and subsequent testing and approvals from the CA.

Northampton Feedstock Secured

On the same date, the Company advised it had entered into a 10-year feed-stock contract with Recyk Yorkshire Limited (“Recyk”), which confirms that the quality, quantity and logistics are in place for Recyk to act as the feedstock supplier for the planned Northampton site.

As announced on 14 June 2019, the site selected for the Company’s Northampton project has received a full Environment Agency (“EA”) permit.

Under the terms of the feedstock agreement with RECYK, IGES will be paid a minimum of £25 per tonne of plastics delivered to the site, in addition to the revenue generated through the output of approximately 70 million litres of road ready diesel and petrol. The contract is conditional on IGES constructing and commissioning the planned Northampton facility.

Major Transaction with USA Business Partner

On 31 December 2019 the Company announced that GEP Fuel and Energy Indiana, LLC (“GEP”), IGES’s partners in the USA through the jointly owned entity Integrated Green Partners LLC, (“IGP”) , had agreed to forward IGES an upfront-payment of USD\$39.6 million

(on a total payment of USD \$70 million that will ultimately be paid to IGES) for IGES to begin construction on the 24 modules required for the planned facility in Camden Indiana.

Once constructed, this facility will be capable of processing o1200 TPD of auto shredder residual (“ASR”) into a range of fuels and products, including EN590 (“Road Ready Diesel”), EN228 (Road Ready Petrol), Naphtha, Marine fuel and Marine Diesel Oil (“MDO”).

Mr Stephen Hogan, CEO GEP and CEO IGP said: “We are committed to getting the inaugural ASR to fuel site built in the immediate term. With funding secured and the site locked down it makes good commercial sense to prioritise the construction of the IGES technology. We are proud to work with IGES and are sure the IGP roll out will be a great commercial success and have an amazing impact on the environment”.

SGC Funding Update

IGES continues to work with Structured Growth Capital Inc (“SGC”) to finalise its US\$90 million funding, and in December negotiated a deferral of the first drawdown after reviewing short-term cash requirements, and the ability for the Company to utilise the above-mentioned USD\$39.6 million down-payment to fund the Amsterdam facility and other projects in the short term.

Using the monies collected from the IGP commercial transaction is preferable at this time to loan funds because:

- It reduces the company debt levels
- There is no interest component
- In the case of the SGC funding, it defers the repayment instalments due to commence 13 months from the initial draw-down
- The liability is represented by a deliverable that we can control utilising the company’s resources
- The liability is to a business partner, rather than a financial institution

“It is IGES’s contractual obligation to receive funding of USD\$90 million for the construction of plastics to fuel plants as part of their global expansion. Although SGC’s preference is to exclusively provide loan funding as soon as possible to IGES, after transparent discussions with IGES regarding the timing issues we encountered in the short term, we acknowledge that IGES may utilise the module down- payments receivable as an ancillary source of funds in the short term. As good business partners who hope to work with IGES on at least the next two rounds of funding, we have decided to support this approach and look forward to a long-term successful relationship with IGES as a key partner in their roll-outs across multiple international plants.”

Further Market Information

The Company is currently compiling information in response to recent ASX queries. This will be released to the market in the short term and will contain further up to date information regarding the Company’s operations and activities.

FOR FURTHER INFORMATION CONTACT:

Joshua Herbertson, Company Secretary +61(0) 438 771 846

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Integrated Green Energy Solutions Ltd

ABN

23 003 669 163

Quarter ended ("current quarter")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-34	-34
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-35
(d) leased assets	-	-
(e) staff costs	-380	-833
(f) administration and corporate costs	-221	-508
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-22
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	362	362
1.8 Other (BAS/VAT)	137	504
1.9 Net cash from / (used in) operating activities	-136	-565

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-473	-1,591
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-3	-14
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-475	-1,604

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	2,506	2,506
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	135	1,623
3.6 Repayment of borrowings	-2,193	-2,543
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	448	1,586

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	718	1,137
4.2 Net cash from / (used in) operating activities (item 1.9 above)	-136	-565
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-475	-1,604
4.4 Net cash from / (used in) financing activities (item 3.10 above)	448	1,586
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	555	555

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	555	718
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	555	718

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	171
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors fees of 171k were paid in the quarter

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
-	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	144,000	10,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


Interest rate is 8.5% on funds drawn down. Funding is secured by real property and equipment.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	953
9.6 Administration and corporate costs	1,350
9.7 Other (Construction of Amsterdam Facility)	16,700
9.8 Total estimated cash outflows	19,003

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
 (Director/Company secretary)

Date:31 January 2020.....

Print name: ...Joshua Herbertson.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.