

Hydrogen Utopia International Plc
("HUI PLC" or the "Company")

UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Set out below are the unaudited results of the Group for the six months ended 30 June 2023, together with the unaudited results for the comparative six-month period ended 30 June 2022.

Interim Management Report

Commercial, technological and business development

During the period the Company commenced trading on the main market of the London Stock Exchange under symbol HUI and ceased trading on the AQSE main market.

Work continues on building a pipeline of HUI facilities in Europe. New markets are keen to learn about the HUI technology and aid us in setting up a facility in their locality.

Research and Development remains a key component of our work at this stage of the Group's strategy. Shortly after the period for which these interim statements cover the EU awarded a grant to one of the Company's Irish subsidiaries. This will give a further boost to our R&D capabilities and facilities in Ireland. The Board of Directors continue to monitor the Group's project pipeline, which includes current and future projects, as well as Group cashflows for OPEX and project specific funding. The current market conditions raise significant challenges to raising capital which is why the board has sort alternative methods of income to assist the Groups' objectives in waste to energy.

Related party transactions

Ohrid Organics Limited ("**OOL**") is a company with a majority ownership by Howard White, who is also a director of HUI PLC. Subsequent to the period end, HUI PLC has signed an agreement on 3 July 2023 to provide a loan to OOL (full details in note 6 below). This related party transaction has allowed the Group to build a cash runway for future operations of the Group.

Outlook

The outlook for the Group remains very positive and the board looks forward to the second half of the year with a high degree of confidence in the ongoing execution of its strategy. Despite the macro-economic backdrop, the Group are moving forward with current and future projects as expected.

Financial Performance

- Admin expenses for the half year of £0.9m (H1 2022: £0.6m)
- Gross Loss for period increased to £0.8m (H1 2022: £0.6m)
- Cash at bank as at 30 June 2023 of £2.1m (H1 2022: £3.2m)

Principal risks

The Directors consider that the principal risks and uncertainties which could have a material effect on the Group's performance identified in the Annual Report 2022 are also applicable for a period of six months from 31 December 2022.

The Directors continue to monitor the risks associated with currency fluctuations and believe that the strategy put in place reduces this risk significantly.

Unaudited Consolidated Statement of Comprehensive Income for the period ending 30 June 2023

| | | Six months ended June 30 2023 £ (Unaudited) | Six months ended June 30 2022 £ (Unaudited) | Year ended December 31 2022 £ (Audited) |
|---|---|--|--|--|
| Administrative expenses | | (866,941) | (583,878) | (1,492,297) |
| Operating loss | | (866,941) | (583,878) | (1,492,297) |
| Other revenue | | 100,006 | | |
| Investment revenues | | 99 | 4 | 4 |
| Loss on ordinary activities before taxation | | (766,836) | (583,874) | (1,492,293) |
| Income tax expense | | - | - | - |
| Loss and total comprehensive income for the period | | (766,836) | (583,874) | (1,492,293) |
| Basic and Diluted Earnings per share from continuing operations (pence) | 8 | (0.20) | (0.15) | (0.48) |

Unaudited Consolidated Statements of Financial Position as at 30 June 2023

| | Notes | 30 June 2023 £ (Unaudited) | 30 June 2022 £ (Unaudited) | 31 December 2022 £ (Audited) |
|--------------------------------|-------|-------------------------------------|-------------------------------------|---------------------------------------|
| Non-Current assets | | | | |
| Property, plant and equipment | 9 | 587,719 | 516,450 | 516,308 |
| Investment in Financial Assets | | 425,315 | 425,315 | 425,315 |
| | | 1,013,034 | 941,765 | 941,623 |
| Current assets | | | | |
| Trade and other receivables | | 262,712 | 106,604 | 97,855 |
| Cash and bank balances | | 2,096,389 | 3,204,701 | 2,993,960 |
| | | 2,359,101 | 3,311,305 | 3,091,815 |
| Current liabilities | | | | |
| Trade and other payables | | 78,348 | 104,822 | 108,540 |
| Borrowings | | 584,312 | - | 570,175 |
| | | 662,660 | 104,822 | 678,715 |
| Net current assets | | 1,696,441 | 3,206,483 | 2,413,100 |
| Net assets | | 2,709,475 | 4,148,248 | 3,354,723 |
| Equity | | | | |
| Share capital | 7 | 385,520 | 384,320 | 384,320 |
| Share premium | | 5,248,679 | 5,174,684 | 5,174,684 |
| Other reserves | | 370,866 | 209,579 | 324,473 |
| Retained earnings | | (3,295,590) | (1,620,335) | (2,528,754) |
| Total equity | | 2,709,475 | 4,148,248 | 3,354,723 |

Unaudited Consolidated Statement of Changes in Equity for the period ending 30 June 2023

| | Share capital £ | Share premium £ | Other reserves £ | Retained profits £ | Total equity £ |
|---|-----------------------|-----------------------|------------------------|--------------------------|----------------------|
| Balance at 1 January 2022 (audited) | 344,320 | 2,214,684 | 3,052,395 | (1,036,461) | 4,574,938 |
| Loss for the six months ended 30 June 2022 | - | - | - | (583,874) | (583,874) |
| Issue of share capital | 40,000 | 2,960,000 | (3,000,000) | - | - |
| Share based payment expense | - | - | 157,184 | - | 157,184 |
| Balance at 30 June 2022 (unaudited) | 384,320 | 5,174,684 | 209,579 | (1,620,335) | 4,148,248 |
| Loss for the six months ended 31 December 2022 | - | - | - | (908,419) | (908,419) |
| Share based payment expense | - | - | 114,894 | - | 114,894 |
| Balance at 31 December 2022 (audited) | 384,320 | 5,174,684 | 324,473 | (2,528,754) | 3,354,723 |
| Loss for the six months ended 30 June 2023 | - | - | - | (766,836) | (766,836) |
| Issue of share capital | 1,200 | 88,800 | - | - | 90,000 |
| Share issue costs | - | (14,805) | - | - | (14,805) |
| Share based payment expense | - | - | 46,393 | - | 46,393 |
| Balance at 30 June 2023 (unaudited) | 385,520 | 5,248,679 | 370,866 | (3,295,590) | 2,709,475 |

Unaudited Consolidated Statement of Cash Flows for the period ended 30 June 2023

| | Six Months ended 30th June 2023 £ | Six Months ended 30th June 2022 £ | Year ended 31st December 2022 £ |
|--|---|---|---|
| Notes | (Unaudited) | (Unaudited) | (Audited) |
| Cash flow from operating activities | | | |
| Profit/(loss) for the period | (766,836) | (583,874) | (1,492,293) |
| Investment Income | (99) | (4) | (4) |
| Depreciation, amortisation and impairment | 247 | 104 | 277 |
| Equity settled share based payment expense | 46,393 | 157,184 | 272,078 |
| (Increase)/decrease in trade and other receivables | (164,856) | 1,889,258 | 1,898,098 |
| Increase/(decrease) in trade and other payables | (16,056) | (400,249) | (396,531) |
| Net cash generated for/(absorbed in) operating activities | (901,207) | 1,062,419 | 281,625 |
| Cash flows from investing activities | | | |
| Purchase of unincorporated business | | - | (89) |
| Purchase of property, plant and equipment | 9 (71,658) | (130,019) | (130,052) |
| Investment in Financial Assets | - | (425,315) | (425,315) |
| Interest received | 99 | 4 | 4 |
| Net cash generated for/(absorbed in) investing activities | (71,559) | (555,330) | (555,452) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 75,195 | - | |
| Proceeds from shares to be issued | - | - | |
| Proceeds from borrowings | - | - | 570,175 |
| Net cash generated for/(absorbed in) financing activities | 75,195 | - | 570,175 |
| Net increase in cash & cash equivalents | (897,571) | 507,089 | 296,348 |
| Cash and equivalent at beginning of period | 2,993,960 | 2,697,612 | 2,697,612 |
| Cash and equivalent at end of period | 2,096,389 | 3,204,701 | 2,993,960 |

Notes to the Interim Financial Information

1. General information

Hydrogen Utopia International Plc is a company incorporated and domiciled in England and Wales. The Company's registered office is C/O Laytons LLP, 3rd Floor Pinners Hall, 105-108 Old Broad Street, London, EC2N 1ER. The Company is listed on the LSE main market (ticker: HUI).

The unaudited consolidated financial information comprises the financial information of Hydrogen Utopia International Plc, HU2021 International UK Limited, Hydropolis United Sp.Z.O.O., Plastic Gold IKE, Alister Future Technologies (AFT) Limited, Eranova Longford Limited and HU Future B.V. (the "Group").

The principal activities of the entities in the Group are as follows: -

| Name of company | Country of incorporation | Principal activities |
|---------------------------------------|--------------------------|----------------------|
| Hydrogen Utopia International plc | England and Wales | Holding company |
| HU2021 International UK Limited | England and Wales | SPV |
| Hydropolis United Sp.Z.O.O. | Poland | Energy producer |
| Plastic Gold I.K.E | Greece | Energy producer |
| Alister Future Technologies (AFT) Ltd | Ireland | SPV |
| Eranova Longford Limited | Ireland | Energy producer |
| HU Future B.V. | The Netherlands | SPV |

On 7 April 2023 a company called HU Future B.V., incorporated in the Netherlands, was set up which is a wholly owned subsidiary of HUI PLC.

There have been no significant changes in these activities during the relevant financial periods.

The consolidated interim financial information has been prepared in accordance with UK adopted International Accounting Standards (IFRSs). The interim financial information does not constitute full financial statements within the meaning of Section 435 of the Companies Act 2006. The interim results have not been audited or reviewed by the Company's auditors. The unaudited interim results have been prepared under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The comparative figures for the year ended 31st December 2022 for the Company are extracted from the audited financial statements which contained an unqualified audit report and did not contain statements under Sections 498 to 502 of the Companies Act 2006.

The Directors have considered all available information about future events when considering going concern. The Directors have prepared and reviewed cash flow forecasts for 12 months following the date of these Financial Statements.

The projections show that the Company will have sufficient funding to be able to continue as a going concern on the basis of its cash balances as at 30 June 2023.

2. Presentational currency

The financial information has been presented in sterling ("£") the Group's presentational currency. The functional currency of the Group is sterling ("£").

3. Summary of significant accounting policies

The same accounting policies and methods are used in the Interims as compared with the most recent financial statements, the year ended 31st December 2022, these Interims should be read in conjunction with them, which can be found here <https://www.hydrogenutopia.eu/investors>

Investment in Financial Assets are measured at fair value, any interest or dividend income are recognised in profit and loss.

The tax charge on profits assessable has been calculated at the rates of tax prevailing, based on existing legislation, interpretation and practices in respect thereof.

Notes to the Interim Financial Information (Continued)

4. Segmental reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Operating Group that are regularly reviewed by the chief operating decision maker (which takes the form of the Board of Directors) as defined in IFRS 8, in order to allocate resources to the segment and to assess its performance.

Based on management information there is one operating segment. Revenues are reviewed based on the services provided.

No single customer has accounted for more than 10% of total revenue during the periods presented.

5. Related Party Disclosure

As at 30 June 2023 the group was owed £250 by Plastic Power Limited (A Binkowska) and £403 by The Plastic Neutrality Pledge (A Binkowska).

6. Significant events during the period

On 9 January 2023 the Company's Ordinary shares commences trading on the main market of the London Stock Exchange under symbol HUI.

On 11 January 2023, Executive Director, Howard White, purchased an additional 350,000 Ordinary Shares from the market previously in issue at an average price of 16.1277p per Ordinary Share, bringing his total interest in Ordinary Shares to 15,310,834.

On 23 January 2023 Novum Securities Limited exercised all of their warrants to subscribe for 1,200,000 new Ordinary Shares of 0.1p bringing the total number of Ordinary Shares/voting rights in the Company to 385,520,000.

On 14 February 2023 the Company's Ordinary Shares ceased to be traded on the AQSE main market.

On 21 March 2023 Heads of Terms were signed between HUI PLC and Powerhouse Energy PLC (PHE) in relation to a joint venture (JV) at Longford, Ireland.

On 22 March 2023 the board of directors agreed to a corporate restructure of expenses incurred under HU2021 during 2020 and 2021 to be recharged to HUI PLC as group expenses. Additionally, the board agreed to transfer the ownership of the Assets under construction to HUI.

On 3 April 2023 Harold Tillman CBE was granted options over up to 6,666,666 HUI ordinary shares at an exercise price of 15p per share exercisable over different periods of time in the 4 years following his appointment.

On 26 May 2023 Keith Riley resigned as an Executive Director.

During the period, HUI PLC entered into negotiations with Carbon Capture and Sequestration Limited ("CCS" subsequently renamed Ohrid Organics Limited ("OOL")) to provide a loan of £500,000. This resulted in an agreement signed off on 3 July 2023 subsequent to the period end. Under the agreement HUI PLC was granted the option to acquire 49% of OOL in return for the issue of 49 million ordinary shares of £0.001 each in HUI PLC (the "Option"). The Option is exercisable at any time in the period ending 31 October 2024.

7. Called up share capital

| Authorised | Nominal value | 30 Jun 22 (Unaudited) £ | 30 Jun 22 (Unaudited) £ | 31 Dec 22 (Audited) £ |
|----------------------|---------------|-------------------------------|-------------------------------|-----------------------------|
| 385,520,000 Ordinary | £0.001 | 385,520 | 384,320 | 384,320 |

Notes to the Interim Financial Information (Continued)

8. Basic and diluted earnings per share

The calculation of earnings per share is based on the following earnings and number of shares.

| | Six months Ended 30 June 2022 (Unaudited) £ | Six months Ended 30 June 2022 (Unaudited) £ | Year ended 31 December 2022 (Audited) £ |
|--|---|---|---|
| Total comprehensive loss | (766,836) | (583,874) | (1,492,293) |
| Weighted average number of ordinary shares | 385,367,514 | 382,994,033 | 312,852,798 |
| <u>Earnings per share</u> | | | |
| Basic and diluted earnings per share (pence) | (0.20) | (0.15) | (0.48) |

9. Property, plant and equipment

| | Assets under construction £ | Computers £ | Total £ |
|--|-----------------------------------|----------------|------------|
| Cost | | | |
| At 1 January 2022 | 384,862 | 1,694 | 386,556 |
| Additions | 128,975 | 1,045 | 130,020 |
| At 30 June 2022 | 513,837 | 2,739 | 516,576 |
| Additions | - | 32 | 32 |
| At 31 December 2022 | 513,837 | 2,771 | 516,608 |
| Additions | 70,749 | 909 | 71,658 |
| At 30 June 2023 | 584,586 | 3,680 | 588,266 |
| Accumulated depreciation and impairment | | | |
| At 1 January 2022 | - | 23 | 23 |
| Charge for the period | - | 104 | 104 |
| At 30 June 2022 | - | 127 | 127 |
| Charge for the period | - | 173 | 173 |
| At 31 December 2022 | - | 300 | 300 |
| Charge for the period | - | 247 | 247 |
| At 30 June 2023 | - | 547 | 547 |
| Carrying amount | | | |
| At 1 January 2022 | 384,862 | 1,671 | 386,533 |
| At 30 June 2022 | 513,837 | 2,613 | 516,450 |
| At 31 December 2022 | 513,837 | 2,471 | 516,308 |
| At 30 June 2023 | 584,586 | 3,133 | 587,719 |

10. Related party transactions

OOL is a company with majority ownership by Howard White, who is also a director of HUI PLC and as such the loan to OOL (as discussed in note 6) is a related party transaction. All other Group related parties transactions are unchanged from the 6 months ended 31 December 2022. For further information on the Group's related parties, please refer to the Group's Annual Report 2022.

Notes to the Interim Financial Information (Continued)

11. Events after the reporting period

On 3 July 2023 HUI signed the loan agreement with OOL (as discussed in note 6) and enacted the payment of £500,000 to OOL on 11 July 2023.

On 4 July 2023 HUI PLC's Irish subsidiary, Alister Future Technologies (AFT) Limited ("**AFT**") was successfully awarded an EU grant for 75% of expenditure of up to €450,000 in Ireland.

On 21 August 2023 Simon Mann was appointed as non-executive Chairman of the Company. Simon was granted share options over 2 million ordinary shares at an exercise price of £0.05 per share and will vest over a period of 2 years.

Statement of director's responsibilities

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with UK adopted IAS34 Interim Financial Reporting; and
- The interim management report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the board

Aleksandra Binkowska
CEO

29 September 2023