



HYDROGEN UTOPIA
INTERNATIONAL PLC

ANNUAL REPORT AND ACCOUNTS
FOR THE 15 MONTHS ENDED
31 DECEMBER 2021

Pioneering non-recyclable waste plastics to hydrogen technology

CONTENTS

02	Chairman's statement
04	Chief Executive Officer's statement
06	Strategic report
08	Directors' report
11	Directors' responsibilities statement
12	Corporate governance statement
13	Independent auditor's report
19	Group statement of comprehensive income
20	Group statement of financial position
21	Group statement of changes in equity
22	Group statement of cash flows
23	Notes to the group financial statements
38	Parent company statement of financial position
39	Parent company statement of changes in equity
40	Notes to the parent company financial statements
43	Notice of Annual General Meeting

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2021

Overview

This is the first published Annual Report and Accounts for Hydrogen Utopia International PLC ("HUI" or the "Company") and it covers the period which ended immediately preceding the Company's IPO and admission of its shares to trading on the AQSE Growth Market. Trading on AQSE commenced on 6 January 2022.

HUI is pioneering the use of technology using non-recyclable waste plastic to produce hydrogen and/or other alternative energy sources which are not dependent upon the use of coal, gas, oil or fossil fuel derived electricity.

HUI's plants will not only provide alternative energy but also address the major environmental threat posed by waste plastic. Vast quantities of plastic with a huge variety of industrial, consumer and healthcare uses continue to be produced worldwide. We believe that attempts to limit or substitute plastic use are unlikely to make any significant difference to the quantities of waste plastic generated by our society in the foreseeable future – plastics are too useful. HUI's plants will provide an alternative use for that waste plastic without the need for incineration or landfill.

It is HUI's intention to become one of the leading new European companies specialising in turning non-recyclable mixed waste plastic into carbon-free fuels, new materials or distributed renewable heat. The pressing need to deal with growing amounts of waste plastic combined with a real momentum in demand for and the use of hydrogen from renewable sources pave the way for a rapid deployment of and investment in HUI facilities.

A HUI facility uses non-recyclable mixed waste plastic as feedstock and turns it into a high calorific synthetic gas (syngas) from which new products such as hydrogen or methane can be extracted or it can be used as a fuel in itself to produce electrical power.

HUI is targeting areas where there is significant private sector interest or potential, where financial backing is accessible and/or where substantial EU and/or government funded sources of grants and loans are or may be available.

In terms of conventional energy sources, the global increase in fossil fuel-based energy prices reinforces the need for alternative energy sources, which HUI's plants can provide. This demand for alternative sources of energy and energy supply has been compounded as a consequence of the war in Ukraine and current

sanctions against Russia. Western and Central European countries have either determined to move away altogether from Russian gas and oil supplies or they are increasingly reluctant to place any significant dependence upon such supplies.

HUI's waste plastic to energy plants will produce syngas that could be used as a fuel in its own right, as a gas engine fuel to produce electrical power or to produce methane or hydrogen. Heat produced as a by-product of the process can be sold and fed into district heating systems, for example, which in Eastern Europe are used extensively.

HUI believes that building new HUI waste plastic to energy plants could be significant in allowing local communities across Europe to ameliorate the effects of the resultant gas and energy supply crisis and the anticipated market changes brought about by ongoing sanctions against Russia and the reluctance to rely upon it as an energy supplier in the future.

HUI plants were always anticipated to have the flexibility to switch between different outputs and their modularity and flexibility should enable HUI to build bespoke units to satisfy local demand.

Since our IPO, we have continued our efforts to build a pipeline of HUI facilities in Europe, with the intention of establishing a first plant as soon as practicable. Pursuant to that aim, at the end of April 2022 we announced that we had reached an agreement in the Republic of Ireland which we anticipate will lead to our first operational full scale waste plastic to hydrogen facility in Europe. This offers us a suitable site in an EU Just Transition Fund region, access to an investment grade plastic feedstock supplier and the potential to agree offtake for the facility's anticipated hydrogen and syngas outputs with a substantial customer whose covenant would be regarded as of a very high quality. Planning of the site in Ireland and discussions with the potential supplier and customer are ongoing and we anticipate being in a position to provide further updates in the near future.

Financial

The financial statements presented are those for the HUI group, including the Company (which was incorporated in May 2021) and its principal subsidiary in the UK (which was incorporated and commenced trading in October 2020) together with HUI's subsidiaries in Poland and Greece.

In line with expectations, the HUI group did not generate any revenue in the reporting period and the total loss for the period amounted to £1,036,461. The Group has not recognised a deferred tax asset in respect of the losses incurred to date – which should nevertheless be available to offset against profits in the future.

Net assets at the period end amounted to approximately £4.6 million. Cash assets and receivables amounted to just under £4.7 million at that date – including just under £2.7 million of cash at bank and £1.9 million of cash receivable from the proceeds of the IPO fundraising, the balance of which was received shortly following the IPO. To the extent that IPO listing costs were not already paid at period end, full provision has been made for the costs of the IPO.

Cash outflow for the period from operating activities and in the purchase of property, plant and equipment amounted to some £980,000. Net cash inflows from the issue of shares in the period (excluding the £1.9 million of IPO proceeds shown as current assets in trade receivables) amounted to some £3.68 million.

Climate Change

HUI is dedicated to helping to deliver climate change by creating a cleaner, more sustainable future for our planet through utilising technology to replace fossil fuels where possible.

Our vision is to accelerate a circular and net zero, clean economy through:

- tackling the worldwide plastic waste issue by utilising waste plastic that is not recycled or cannot be recycled or cannot be recycled economically as a feedstock for HUI facilities;
- deploying innovative clean technologies that recover energy from non-recyclable plastics and turn it into clean fuel; and
- becoming the leader in monetising the conversion of non-recyclable plastic waste into new products and energy.

G R Peters
Executive Chairman
30 June 2022

CHIEF EXECUTIVE OFFICER'S STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2021

HUI's business was founded on 1st October 2020 during the second wave of the Covid-19 pandemic. The timing was important, as the world seemed to have woken up to the realisation that a utopian aspiration of eradicating the usage of plastic was unachievable. The Covid-19 pandemic has actually led to an increased demand for single-use plastics that has intensified pressure on an already out-of-control global plastic waste problem. The studies say that it is impossible, impractical or uneconomic to recycle about 90% of plastics, which subsequently leads to landfilling or incineration. Neither are perfect solutions. We believe that HUI's solution is far closer to perfection: tackling both of the burning environmental issues - providing the world with a solution to waste plastic and helping the transition from the use of fossil fuels by creating alternative valuable fuels such as synthetic gas and hydrogen.

On 1st January 2021 the EU banned the shipment of non-recyclable plastic waste to countries outside the OECD and tightened controls on exports to OECD countries and within Europe. Some poorer countries, which are growing in affluence, are also slowly restricting the import of unwanted plastic, increasing pressure on every country to deal with its own plastic waste.

During the unprecedented crisis caused by the Covid Pandemic, the EU unleashed the largest funding package in its history: EUR 1.7 trillion which would be targeted at the poorest regions within the European Union. EU Leaders made it very clear that the Covid Pandemic should increase our efforts to speed up the transition from fossil fuel use and move swiftly to alternative sources of energy. Pressure to increase hydrogen production increased, along with an understanding that the demand for hydrogen will not be fully met for a very long time. This means that all possible sustainable methods of producing hydrogen must be implemented. Currently the price of hydrogen is averaging around EUR12 per kg. The EU has decided to allocate funds to the most impacted areas across the Continent in regions where the transition is needed most.

All of the above factors led to HUI's foundation and the rapid development of its business. We believe in addressing the needs of the most impacted regions in the EU with the help of EU funds, as well as local, national and private sector funding. HUI's ambition is to create a substantial project pipeline of systems across the Continent, particularly where coal mining has to be phased out, where unemployment is very high and where there is an urgent need to create new employment opportunities to preserve the local

communities. Each of our systems can provide about 2.75 tonnes of hydrogen per day, which can fuel approximately 84 public buses or waste trucks or other heavy vehicles.

HUI is based on two fundamental pillars: building a state of the art, 4.0. technology for converting waste plastic to hydrogen or alternative fuels and creating a substantial project pipeline. Once the first plant has been built, this should ensure that we can capitalise rapidly on the knowledge and interest in the system in our target markets.

In building a state of the art system, we are most proud of the partners we have secured in developing the first plant. We engaged Electron, a Netherlands based high-tech thermal engineering company, which has worked with General Electric, Boeing, Tata Steel and Shell, to provide state of the art and highly specialised engineering solutions. HUI, Electron and its consulting engineers are developing a cutting edge pyrolysis and gasification reactor, the chemical conversion chamber, which will run on green electricity, making our system carbon neutral. Electron is in the final phases of completing the design and material choices. We believe that Electron has the capacity to build up to 20 pyrolysis and gasification reactors annually, which provides us with confidence in our ability to meet market demand. Electron also took a shareholding in HUI in our pre-IPO funding round, which is a strong measure of their support and confidence in our business. Electron is currently constructing a test rig that will test the first pyrolysing stage of the system.

We have also partnered with Linde, the leading global industrial gases and engineering company. Linde Engineering initially performed a four month technical feasibility evaluation in mid 2021 in relation to the deployment of syngas clean-up and hydrogen extraction in an HUI waste plastic to hydrogen plant. Subsequently, at COP26, Linde and HUI signed a framework agreement under which Linde would provide hydrogen extraction and gas clean-up equipment, design and engineering services to HUI with a right of first refusal on every HUI project. Under that agreement, HUI recently tasked Linde Engineering with providing engineering guidance and advice by assessing the interfacing of the chemical conversion chamber and synthesis gas designs. Where necessary or desirable, Linde Engineering will suggest improvements to enhance the potential performance, longevity and/or integration of a complete HUI waste plastic to hydrogen facility. They will also help facilitate the fabrication and commissioning of a fully integrated HUI waste plastic to hydrogen plant.

The second pillar of HUI's business is based on creating a substantial project pipeline. Our first project on the European Continent is anticipated to be based in Konin, Poland, where the city has expressed interest in deploying 10 systems and an agreement was signed with the City of Konin in February 2021. A suitable plot for the proposed HUI plant, close to the city's existing waste remediation facilities was identified and we were initially given the land by Konin to commence our FEED study. Later we entered into a 3 year lease agreement, which is expected to be followed by a long term lease or purchase of the land. We engaged SWECO, a pan-European engineering consultancy, to review the necessary planning consents required for a plant in Konin and they submitted an application for an Environmental Impact Assessment in December 2021. Earlier this month we received a number of follow up queries to our application, to which we are in the process of responding.

Subsequent to the Konin agreement, in January 2022 we signed a Letter of Intent with the regional waste management company operating in Ostrów Wielkopolski, Greater Poland, which has built a number of modern waste management facilities in the region. It has agreed, subject to final contract, that it will provide a plot of land at one of its facilities with the necessary utilities to operate an HUI waste plastic to hydrogen plant, it will provide assistance with the permitting of the site, it will source and provide the waste plastic feedstock necessary to operate the system and it will assist in procuring funding for the plant from EU, national or local grants and/or private funding. It has also offered its full assistance in finding off-take partners for the hydrogen and energy produced by the plant. It is intended that the heat energy produced by a plant would be fed into a district heating system.

Interest in the system is growing significantly – we are currently in discussions with cities in the regions of Pleszew, Wałbrzych, Jarocin and Kalisz. The Greater Poland region and its neighbouring Voivodships are extremely interested in hydrogen and are focused on being the leaders in hydrogen production. Konin is running its first hydrogen bus, whilst Poznań has ordered 84 buses to be delivered in the next 5 years. The first hydrogen summit in Poland was hosted in Poznań, where HUI is making many connections: we are currently in discussions with the largest waste management companies as well as tyre and plastic manufacturers.

We have also been very active in exploring markets across the Continent. We have established wholly owned subsidiaries in Greece and Ireland. In Greece we were allocated a free of charge plot of land in the region of Florina (West Macedonia), where the largest EU grant is being allocated. We are in discussions with local feedstock and off take providers.

The most advanced project as of today is located in Tipperary, Ireland, where we intend to co-locate our plant alongside other plastic waste recycling technology companies with a view to creating a hub. In Ireland we are also in discussions with a Tier 1 feedstock and off- take supplier.

HUI believes that speed to market is everything, so we are relentlessly exploring opportunities in Bulgaria, Italy, Germany and the Netherlands. We believe in engaging local, well-connected people to open doors and spread the word about HUI's technology.

We believe that our plastic to hydrogen facilities represent perfect ESG projects. Following the Russian invasion of Ukraine, a political imperative has been added to the impetus to develop our plants. The united response of the Western World to the Ukraine invasion has been to change the approach to energy policies forever. Now projects such as ours have also become much more political in their potential contribution to energy self-reliance and energy independence. Businesses and consumers across Europe are facing incredible challenges from soaring gas and oil prices. Our plants can help in this context – by producing hydrogen as an alternative fuel and by producing syngas and heat. The price of natural gas is a benchmark for syngas prices. The clean syngas from an HUI system can be blended with natural gas, thereby reducing dependence upon primary fossil fuel sources and more particularly those sourced from Russia. We believe that this transition represents the future and we are extremely proud to be a part of it.

A Binkowska
Chief Executive Officer
30 June 2022

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present the strategic report for the 15 months ended 31 December 2021.

The strategic report section addresses the Directors' management of the group and contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of the report preparation and approval and such statements should be treated with caution as they address uncertainties.

Business review and strategy

Hydrogen Utopia are working to create a project pipeline of Hydrogen Utopia plants on the European Continent. We are identifying opportunities across several industry verticals and intend in due course to expand into other non-European jurisdictions (excluding the UK). These facilities use non-recyclable mixed waste plastic as feedstock and turn it into a synthetic gas (syngas) from which new products such as hydrogen, other gases, electricity and distributed heat can be produced.

Hydrogen Utopia expects that it will derive revenue principally from gate fees for the disposal of non-recyclable waste plastic feedstock, the production of syngas which can be used as a fuel in its own right or to produce electricity and the production of hydrogen which in turn can be used for either hydrogen powered vehicles or stored and transferred for use elsewhere.

The Group will continue to refine the process using leading industry experts to create efficiencies and synergies between plants, plant design and distribution of the end products.

Principal risks and uncertainties

Key risks and the boards' approach to mitigating these risks is discussed in more detail in the Directors' report.

Analysis of development and performance

See Chairman's report on page 2.

Key performance indicators

The board are focused on delivering our first fully functional waste plastic to hydrogen plant. Hydrogen Utopia puts safety at the forefront of its objectives in all operations. Key drivers of each Hydrogen Utopia plant and therefore the success of the business will include, but not be limited to; energy usage to extract the hydrogen, syngas production per hour, hydrogen production per hour, overall efficiency, production downtime and management of plant overheads.

Analysis using other key performance indicators

Continued successful partnering with both suppliers and end users will be a key driver for the Group's growth going forward. The Directors believe that through their own knowledge and contacts they have the ability to recognise the potential of the hydrogen fuel market.

Hydrogen Utopia may also partner with landowners ahead of future plant commissioning. By building up a register of suitable potential plant locations, Hydrogen Utopia intends to reduce the potential for delays and barriers to entry, ranging from those associated with plant location and construction to supply of products to market.

Section 172 Statement

The Directors recognise that the evolving hydrogen and associated energy transition market offers significant opportunities to develop its and potentially other new technologies.

The Directors believe strongly in the importance of solid and exemplary corporate governance whilst promoting long-term sustainable success for the group. The Directors are committed to promoting a company culture which focuses on treating all employees fairly and with respect. This commitment extends to all principal stakeholders including shareholders, employees, consultants, suppliers, customers and the wider community.

All Directors act in a way they consider, in good faith, to be most likely to promote the success of the group for the benefit of its shareholders. In doing so, they each have regard to a range of matters when making decisions for the long-term success of the group.

In making these decisions the Directors have considered:

Key Stakeholders	How we engage
Employees	As a small team, there is regular engagement on a daily basis between all departments either by email, via calls or using video conferencing. Regular business wide updates are given through a variety of channels with more formal updates via presentations around key events.
Shareholders	As a listed business, we have a dedicated investor website with all key information and RNS updates. We also conduct regular presentations with investors, both institutional and retail around the time of key trading updates. Presentations are made available online for those who did not have the opportunity to attend in a live capacity.
Suppliers	We have a dedicated sourcing team whose role it is to ensure ongoing assessment and onboarding of new suppliers. In addition we have personal relationships from all levels within our business across all our supply chain and update each other through regular meetings and phone calls.
Customers	Our customers are at the heart of everything we do. We use email and social platforms to provide updates about new developments and regularly review any feedback we receive to understand how we can improve customer experience.

ON BEHALF OF THE BOARD

G R Peters

Director

30 June 2022

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the period ended 31 December 2021.

The corporate governance statement set out on page 12 forms part of this report.

Principal activities

The principal activity of the group is that of turning non-recyclable mixed waste plastic into carbon-free fuels, new materials or distributed renewable heat. The group is focused on delivering shareholder value over the medium to long term by developing and utilising its non-recyclable waste plastics to hydrogen technology. The group continues to identify opportunities across continental Europe (and other jurisdictions) to build Hydrogen Utopia plants to provide hydrogen, syngas, electricity and heat to end customers.

Results and dividends

The results for the period are set out on page 19.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

A Binkowska	(Appointed 26 May 2021)
G R Peters	(Appointed 6 October 2021)
P Formanko	(Appointed 2 January 2022)
K Riley	(Appointed 6 January 2022)
S Medicott	(Appointed 6 January 2022)
S Giles	(Appointed 26 May 2021 and resigned 26 May 2021)
N Verioti	(Appointed 26 May 2021 and resigned 19 October 2021)

Directors' remuneration

Details of directors' remuneration are as follows:

	2021 £ Salary	2021 £ Pension	2021 £ Share based payments	2021 £ Total
A Binkowska	15,000	110	–	15,110
G R Peters	15,000	110	20,602	35,712
K Riley – prior to appointment as director	15,000	–	20,602	35,602
S Medicott – prior to appointment as director	–	–	7,460	7,460
P Formanko – prior to appointment as director	–	–	3,730	3,730

Directors' share options

Details of directors' share options are as follows:

	At 1 October 2020	Granted	Exercised	At 31 December 2021	Exercise date	Date from which exercisable	Expiry date
G R Peters		9,500,000		9,500,000		15/10/2022	15/10/2031
K Riley		9,500,000		9,500,000		15/10/2022	15/10/2031
S Medlicott		3,440,000		3,440,000		15/10/2022	15/10/2031
P Formanko		1,720,000		1,720,000		15/10/2022	15/10/2031

Supplier payment policy

The group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the group's contractual and other legal obligations.

Trade creditors of the group at the year end were equivalent to 29 day's purchases, based on the average daily amount invoiced by suppliers during the year.

Financial instruments

Treasury operations and financial instruments

The group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities.

The group has various financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

Financial instruments - liquidity risk

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The group currently has minimal exposure to fair value interest rate risk due to lack of borrowings through bank overdrafts and loans.

Foreign currency risk

The main currencies in which the Group operates are the Pound Sterling, Polish Złoty and the Euro.

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Research and development

Research and development related costs incurred during the reporting period amounted to £625,908.

Business relationships

The success of the group depends on entering into strategic partnerships with municipalities, suppliers and customers alike. Whilst the group cannot exert control over these entities, we hope that the close relationships that we will build will allow for a long term partnership which will be mutually beneficial for all involved.

Post reporting date events

On Admission, the Company undertook a placing and raised £2.6 million net of expenses.

On Admission, the Company agreed to grant to Novum Services Limited or its associates ("Broker") warrants which shall give the Broker the right to acquire shares equivalent to 5% of the gross aggregate value of the funds raised from investors introduced by the Broker in the Placing, exercisable for a period of two years from Admission at an exercise price per share/warrant equal to the Placing Price.

DIRECTORS' REPORT

continued

On 26 April 2022 Hydrogen Utopia International PLC acquired 100,000 €1 Ordinary shares in Trifol Resources Limited, a company registered at Unit 1, Clonminam Business Park, Portlaoise, Co. Laois, Portlaoise, Laois, Ireland, for €500,000. The investment will allow the group to create its first European waste-plastic-to-hydrogen technology facility in County Tipperary, Ireland.

Future developments

Future developments are laid out in the Chairman's Statement, the Chief Executive Officer's Statement and the Strategic Report.

Auditor

Jeffreys Henry Audit Limited was appointed as auditor and in accordance with section 485 of the Companies Act 2006, a resolution proposing that it be re-appointed will be put at the Annual General Meeting.

Energy and carbon report

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the group's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

COVID-19

Throughout the COVID-19 pandemic, our highest priority has been to protect the health, safety and wellbeing of our customers and staff.

Our response has been based on a number of key principles, in particular:

- Following Government guidelines and exceeding them in certain aspects;
- Completing through risk assessments and regularly updating them; and
- Communicating effectively, so our people understand what we are doing and their part in keeping themselves and their colleagues safe.

BREXIT

The group continues to monitor the progress of the UK Government and EU following Brexit. The group does not believe Brexit has a material impact upon the business due to the structure of the group and the flow of materials into or out of the UK. However, the group notes that exchange rate volatility, supply chain logistics and costs, as well as import and export duties could significantly change due to Brexit. With these risks in mind the group continues to monitor the foreign exchange market and will enter into, where necessary, foreign exchange hedging contracts to mitigate any fluctuations in the market. The group will take expert advice in relation to import and export licences and duties.

ON BEHALF OF THE BOARD

G R Peters

Director

30 June 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with UK adopted international accounting standards (IFRSs) elected to prepare the parent company financial statements under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws including FRS 101 Reduced Disclosure Framework). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted international accounting standards (IFRS) or UK Accounting Standards have been followed, subject to any material departures disclosed and explained; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Each of the directors confirms that, to the best of their knowledge:

The Group financial statements, which have been prepared in accordance with UK adopted international accounting standards (IFRS), give a true and fair view of the assets, liabilities, financial position and profit of the Group; and the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

ON BEHALF OF THE BOARD

G R Peters

Director

30 June 2022

CORPORATE GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2021

Corporate governance statement

Hydrogen Utopia International PLC complies with the Quoted Companies Alliance Corporate Governance Code provisions for small and mid-size quoted companies ("QCA Code") to the extent that the Board considers appropriate having regard to the Group's size, board structure, stage of development and resources.

The Company departs from the provisions of the QCA Code in respect of the number of independent directors. The QCA Code says that "Generally, shareholder expectation is that at least half of directors of a board will be independent Non-Executive Directors". The Board of the Company consists of four executive and two non-executive directors, which the Board believes is proportional to the current size, risks, complexity and operations of the business and is reflective of the Company's values. The non-executive directors take no part in the day-to-day management of the Company's affairs, have no performance related pay (although they have some share options reflecting their contributions to the IPO process but which are not believed to be sufficiently material to affect their independence) and provide no services to the Company save for those expected of their non-executive roles.

The QCA Code makes clear it is the prime responsibility of the Chairman to ensure the Company applies the QCA Code to best advantage of all stakeholders of the Company. The QCA Code is constructed around ten principles, appropriate disclosures, and prudent transparency that companies should follow:

- Establish a strategy and business model which promote long-term value for shareholders
- Seek to understand and meet shareholder needs and expectations
- Take into account wider stakeholder and social responsibilities and their implications for long-term success
- Embed effective risk management, considering both opportunities and threats, throughout the organisation
- Maintain the board as a well-functioning, balanced team led by the chair

- Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities
- Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
- Promote a corporate culture that is based on ethical values and behaviours
- Maintain governance structures and processes that are fit for purpose and support good decision-making by the board
- Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

See the Company's website, www.hydrogenutopia.eu, for full details.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYDROGEN UTOPIA INTERNATIONAL PLC

Opinion

We have audited the financial statements of Hydrogen Utopia International PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviews of expected cash flows for a period of 12 months, to determine expected cash burn, which was compared to the liquid assets held in the entity, including the equity raise of £3,000,000 that occurred on 6 January 2022, but were irrevocable commitments as at the year end.

The cashflow forecasts contained ongoing running costs of the group and committed expenditure at the date of approving the financial statements. The key assumptions that impacted the conclusion are the levels of future revenue generated, and the ability to control the operating costs.

We ensured reliability of the forecasts by: agreeing historical actual results to budgeted results; challenging the current forecast and its assumptions; and checked the clerical accuracy of management's forecasts. We also considered the appropriateness of the group's disclosures in relation to going concern in the financial statements.

INDEPENDENT AUDITOR'S REPORT

continued

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's ability to continue as a going concern for a period of at least twelve months from 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 judgment, were of most significance in our audit of the financial statements of the current 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 directing the 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 we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

- Valuation of share-based payments
- Classification of assets under construction

These are explained in more detail below:

Key audit matter	How our audit addressed the key audit matter
<p>Share-based payments</p> <p>The Company had a share-based payment expense and reserves of £52,395 at the period ended 31 December 2021</p> <p>The Directors have confirmed that the cumulative expense relating to the fair value movement for the outstanding share options was correct.</p> <p>We identified a risk that recognition, disclosure and measurement of the share-based payment reserve may be incorrect.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none">• Reviewed management's calculation of the share-based payment reserve;• Agreed the assumptions used to the share option agreements;• Assessed the reasonableness of the key assumptions used in management's estimates fair value at grant date, using the Black-Scholes model• recalculated the share-based payment calculation using our own assumptions• Ensured that disclosures of the key judgements and assumptions, were appropriately disclosed in line with the requirements under IFRS 2. <p>Based on the audit work performed, we are satisfied with management's calculation of share-based payments</p>

Key audit matter	How our audit addressed the key audit matter
<p>Classification of assets under construction</p> <p>Assets under construction are made up of a single expense of £384,862. This was incurred as part of the development of a key piece of plant not yet in use.</p> <p>The Directors have confirmed all additions for assets under construction, were correctly recognised.</p> <p>There is a risk that the classification of this balance is not appropriately considered.</p>	<p>We have performed the following audit procedures:</p> <ul style="list-style-type: none"> • Agreed the valuation of the asset to the amount they were invoiced for it; • Reviewed whether the addition related to a future tangible asset or an intangible asset; • Reviewed management and challenged management on their judgements of the estimated useful economic life of the asset under construction; • Assessed the ongoing projects viability and ensured they met the criteria defined in the accounting standards for assets under construction; and <p>Based on the audit work performed, we are satisfied with management’s classification and valuation of assets under construction</p>

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£76,000	£75,000
How we determined it	Based on 1.5% of gross assets	Based on 1.5% of gross assets capped below group materiality
Rationale for benchmark applied	We believe that gross assets is a primary measure used by shareholders in assessing the performance of the Group.	We believe that gross assets is a primary measure used by shareholders in assessing the performance of the Company as it is the holding company within the group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components is ranged from £13,000 to £75,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £3,800 (Group audit) and £3,750 (Company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT

continued

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of 4 reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of HUI Plc and HU2021 Limited reporting units, which were individually financially significant and accounted for 96% of the absolute loss before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). We also performed specified audit procedures over certain account balances and transaction classes that we regarded as material to the Group at the 4 reporting units.

We conducted sufficient appropriate audit procedures on the subsidiaries, Hydropolis United Limited and Plastic Gold, for the purposes of the consolidation.

We have audited all components within the Group, and no unaudited components remain.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 or apparent material misstatements, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is 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, the directors are responsible for assessing the group's and parent 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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

The objectives of our audit, in respect to fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the entity's activities.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, employment and health and safety legislation, the Gas Act 1986 and the Polish system of energy law.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing legal expenditure; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

INDEPENDENT AUDITOR'S REPORT

continued

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the parent Company and we remain independent of the group and the parent company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

Use of this report

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Sanjay Parmar
Senior Statutory Auditor
For and on behalf of
Jeffreys Henry Audit Limited
(Statutory Auditors)
Finsgate
5-7 Cranwood Street
London
EC1V 9EE
30 June 2022

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Notes	Period ended 31 December 2021 £
Administrative expenses		(1,036,645)
Operating loss	5	(1,036,645)
Investment revenues	6	184
Loss before taxation		(1,036,461)
Income tax expense	7	–
Loss and total comprehensive income for the period		(1,036,461)

Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

Earnings per share	8	
Basic		(0.40)
Earnings per share from continuing operations		
Basic		(0.40)

The income statement has been prepared on the basis that all operations are continuing operations.

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £
Non-current assets		
Property, plant and equipment	9	386,533
Current assets		
Trade and other receivables	11	1,995,864
Cash and cash equivalents		2,697,612
		4,693,476
Current liabilities		
Trade and other payables	13	505,071
Net current assets		4,188,405
Net assets		4,574,938
EQUITY		
Called up share capital	16	344,320
Share premium account	17	2,214,684
Other reserves	19	3,052,395
Retained earnings		(1,036,461)
TOTAL EQUITY		4,574,938

The financial statements were approved by the board of directors and authorised for issue on 30 June 2022 and are signed on its behalf by:

G R Peters
Director

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Other reserves £	Retained earnings £	Total £
Balance at 1 October 2020		–	–	–	–	–
Period ended 31 December 2021:						
Loss and total comprehensive income for the period		–	–	–	(1,036,461)	(1,036,461)
Issue of share capital	16	344,320	2,214,684	–	–	2,728,804
Recognition of shares to be issued	19	–	–	3,000,000	–	3,000,000
Share based payment expense	19	–	–	52,395	–	52,395
Balance at 31 December 2021		344,320	2,214,684	3,052,395	(1,036,461)	4,574,938

GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2021

		2021	
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	26		(594,920)
Net cash outflow from operating activities			(594,920)
Investing activities			
Purchase of property, plant and equipment		(386,556)	
Interest received		184	
Net cash used in investing activities			(386,372)
Financing activities			
Proceeds from issue of shares		2,558,904	
Proceeds from shares to be issued		1,120,000	
Net cash generated from/(used in) financing activities			3,678,904
Net increase in cash and cash equivalents			2,697,612
Cash and cash equivalents at beginning of year			–
Cash and cash equivalents at end of year			2,697,612

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Hydrogen Utopia International PLC (“the company”) is a public company limited by shares incorporated in England and Wales. The registered office is Block D Imperial Works, Perren Street, London, England, NW5 3ED. The company’s principal activities and nature of its operations are disclosed in the directors’ report.

The group consists of Hydrogen Utopia International PLC and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with UK adopted international accounting standards (IFRSs) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent throughout the financial period. Standards and amendments to UK adopted international accounting standards (IFRSs) effective as of 1 October 2020 have been applied by the Group.

There were a number of standards and interpretations which were in issue at 31 December 2021 but were not effective at 31 December 2021 and have not been adopted for these Financial Statements.

These include:

- Amendments to IFRS 3 Business Combinations – change in reference to the conceptual framework (applicable on or after 1 January 2022)
- Amendments to IFRS 17 Insurance Contracts – measurement of insurance liabilities (applicable on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements – further disclosure requirements including additional detail around accounting policies (applicable on or after 1 January 2023)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – definition of accounting estimates (applicable on or after 1 January 2023)
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (applicable on or after 1 January 2022)

The Directors have assessed the impact of these accounting changes on the Group. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Group’s Financial Statements.

There are no other UK adopted international accounting standards (IFRSs) that are effective for the first time in this financial year that would be expected to have a material impact on the Group.

1.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

NOTES TO THE GROUP FINANCIAL STATEMENTS

continued

1 Accounting policies (continued)

1.2 Business combinations (continued)

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Hydrogen Utopia International PLC together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

The Company acquired its 100% interest in HU2021 International UK Ltd (2021), Hydropolis United (2021) and Plastic Gold (2021) by way of a share for share exchange. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of the Group, but they are a continuance of those of HU2021 International UK Ltd, Hydropolis United and Plastic Gold. Therefore, the assets and liabilities of HU2021 International UK Ltd, Hydropolis United and Plastic Gold have been recognised and measured in these consolidated financial statements at their pre combination carrying values. The retained earnings and other equity balances recognised in these consolidated financial statements are the retained earnings and other equity balances of the Company, HU2021 International UK Ltd, Hydropolis United and Plastic Gold. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to affect the consolidation. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated during the consolidation process.

1 Accounting policies (continued)

1.4 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. In coming to this conclusion, the directors have reviewed the group's working capital requirements over the next 18 months, taking into account the net proceeds from the share issue in January 2022. Reasonable downside sensitivities have been considered under differing scenarios in the working capital model all of which show the group has available financial resources to meet all commitments as they fall due. The cash position at the year-end was £2.7m with a further £1.9m due in January 2022 from the share issue. The directors continue to monitor cash forecasts closely and are involved in the day to day running of the business.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The nature, timing of satisfaction of performance obligations and significant payment terms of the group's major sources of revenue are as follows:

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computers	20% Straight line
-----------	-------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of tangible and intangible assets

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

NOTES TO THE GROUP FINANCIAL STATEMENTS

continued

1 Accounting policies (continued)

1.7 Impairment of tangible and intangible assets (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

1 Accounting policies (continued)

1.9 Financial assets (continued)

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The parent company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial liabilities

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

NOTES TO THE GROUP FINANCIAL STATEMENTS

continued

1 Accounting policies (continued)

1.10 Financial liabilities (continued)

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.11 Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the company.

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

1 Accounting policies (continued)

1.16 Share-based payments (continued)

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

In the case of options granted, fair value is measured by a Black-Scholes pricing model.

1.17 Leases

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Estimation of share-based payment costs

Where appropriate, the Group estimates the fair value of share-based payments using the Black-Scholes model taking into account the terms and conditions upon which the share-based payment was granted.

3 Auditor's remuneration

Fees payable to the company's auditor and associates:

	2021 £
For audit services	
Audit of the financial statements of the group and company	15,000
Audit of the financial statements of the company's subsidiaries	5,000
	20,000

NOTES TO THE GROUP FINANCIAL STATEMENTS

continued

4 Employees

The average monthly number of persons (including directors) employed by the group during the period was:

	2021 Number
Directors	2

Their aggregate remuneration for directors comprised:

	2021 £
Wages and salaries	33,334
Share based payments	31,792
Social security costs	1,653
Pension costs	305
	67,084

The aggregate remuneration for employees comprised:

	2021 £
Wages and Salaries	15,000
Share based payments	20,602
	35,602

The highest paid director received £15,000 during the period with the company average remuneration of £15,000.

5 Operating (loss)/profit

	2021 £
Operating loss for the period is stated after charging/(crediting):	
Exchange losses	8,289
Fees payable to the company's auditor for the audit of the company's financial statements	20,000
Fees payable to the company's auditor for non-audit work in relation to accountancy and transaction support	47,706
Depreciation of property, plant and equipment	23
Share-based payments	52,395

6 Investment income

	2021 £
Interest income	
Financial instruments measured at amortised cost:	
Bank deposits	184

7 Taxation

The charge for the period can be reconciled to the loss per the income statement as follows:

	2021 £
Loss before taxation	(1,036,461)
Expected tax credit based on a corporation tax rate of 19.00%	(196,928)
Unutilised tax losses carried forward	196,928
Taxation charge for the period	–

As at 31 December 2021 the Group had unrelieved tax losses of approximately £1,036,461. A deferred tax asset of £196,928 has not been recognised in respect of these losses. From 1 April 2023, the corporation tax rate is due to rise to 25%; given the directors do not expect to realise a profit before this date the deferred tax asset would increase to £259,115.

8 Earnings per share

	2021 £
Number of shares	
Weighted average number of ordinary shares for basic earnings per share	256,298,031
Earnings (all attributable to equity shareholders of the company)	
Continuing operations	
Loss for the period from continued operations	(1,036,461)
Earnings per share for continuing operations	
Basic earnings per share	(0.40)
Basic earnings per share	
From continuing operations	(0.40)

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the year.

9 Property, plant and equipment

	Assets under construction £	Computers £	Total £
Cost			
Additions	384,862	1,694	386,556
At 31 December 2021	384,862	1,694	386,556
Accumulated depreciation and impairment			
Charge for the period	–	23	23
At 31 December 2021	–	23	23
Carrying amount			
At 31 December 2021	384,862	1,671	386,533

The assets under construction are chemical conversion chambers for the HUI plant, which are being developed to shortly be installed in one of our facilities. The useful life of such an asset is expected to be 20 years and will be depreciated on a straight line basis once in use. The chamber is expected to be operational in January 2025.

10 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Voting
HU2021 International UK Ltd	United Kingdom	Ordinary	100.00	100.00
Hydropolis United	Poland	Ordinary	100.00	100.00
Plastic Gold	Greece	Ordinary	100.00	100.00

The investments in subsidiaries are all stated at cost. Plastic Gold is a wholly controlled subsidiary by way of its shareholders giving full control to the directors of HUI PLC.

11 Trade and other receivables

	2021 £
VAT recoverable	76,226
Other receivables	1,904,203
Prepayments	15,435
	1,995,864

Included within other receivables above is £1,880,000 in respect of shares to be issued not yet paid. Shares were issued and paid post year end.

NOTES TO THE GROUP FINANCIAL STATEMENTS

continued

12 Liquidity risk

The following table details the remaining contractual maturity for the group's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the group may be required to pay.

	Less than 1 month £
At 31 December 2021	
Trade and other payables	184,453

Liquidity risk management

Responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. In line with Note 13, the Company always pay their suppliers within contractual terms and per the cashflow and going concern Note 1.4 the company has no liquidity issues as current assets, predominantly held in cash, far outweigh current liabilities.

13 Trade and other payables

	2021 £
Trade payables	137,686
Accruals	342,231
Social security and other taxation	9,873
Other payables	15,281
	505,071

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 29 days. For most suppliers no interest is charged on amounts payable for the first 30 days after the date of the invoice. Thereafter, interest is charged at various rates. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair value.

14 Market risk

Market risk management

Foreign exchange risk

The carrying amounts of the group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets 2021 £	Liabilities 2021 £
	41,688	86,146

Whilst the company takes steps to minimise its exposure to foreign exchange risk, changes in foreign exchange rates will have an impact on profit.

The main currencies in which the Group operates are the Pound Sterling, Polish Złoty and the Euro.

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

14 Market risk (continued)

Interest rate risk

Whilst the company takes steps to minimise its exposure to cash flow interest rate risk, changes in interest rates will have an impact on profit.

The group currently has minimal exposure to fair value interest rate risk due to lack of borrowings through bank overdrafts and loans.

15 Retirement benefit schemes

	2021 £
Defined contribution schemes	
Charge to profit or loss in respect of defined contribution schemes	305

The group operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the group. The company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the group with respect to the scheme is to make the specified contributions.

16 Share capital

Ordinary share capital	2021 Number	2021 £
Issued and fully paid		
Ordinary shares of 0.1p each	344,320,000	344,320

On 1 October 2020, the Company issued 10,000 shares of £0.01 each for a total consideration of £100.

On 28 May 2021, the Company issued 2,000 shares of £0.01 each for a total consideration of £20.

On 10 June 2021, the Company issued 3,000 shares of £0.01 each for a total consideration of £600,000.

On 13 July 2021, the Company made a bonus issue of 29,985,000 shares of £0.01 from share premium at par and revalued its shares in issue from £0.01 per share to £0.001 per share.

On 13 September 2021 the Company issued 43,960,000 shares of £0.001 each for a total consideration of £2,198,000.

On 15 November 2021 the Company issued 360,000 shares of £0.001 each for a total consideration of £18,000.

17 Share premium account

	2021 £
At the beginning of the period	–
Issue of new shares	2,471,800
Transaction costs	(257,116)
At the end of the period	2,214,684

NOTES TO THE GROUP FINANCIAL STATEMENTS

continued

18 Share-based payment transactions

The company has a share option scheme for some employees. Options are exercisable at price equal to the average quoted market price of the company's shares on the date of grant. The vesting period is one year. If options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the company before the options vest.

	Number of share options 2021	Total exercise price 2021 £
Outstanding at 1 October 2020	–	–
Granted in the period	25,226,666	1,288,000
Outstanding at 31 December 2021	25,226,666	1,288,000
Exercisable at 31 December 2021	–	–

The options outstanding at 31 December 2021 had an exercise price ranging from £0.05 to £0.075, and a remaining contractual life of about 9.79 years.

During the period ended 31 December 2021, options were granted on 15 September 2021 and 23 December 2021. The weighted average fair value of the options on the measurement dates was £328,248. Fair value was measured using the Black-Scholes model.

Inputs were as follows:

	2021
Weighted average share price	0.051
Weighted average exercise price	0.051
Expected volatility	66%
Expected life	1
Risk free rate	0.483%

Due to a lack of historical data, volatility was based off of data from similar companies.

	2021 £
Expenses	
Related to equity settled share based payments	52,395

19 Other reserves

	Shares to be issued reserve £	Share based payments reserve £	Total £
Additions	3,000,000	52,395	3,052,395
Balance at 31 December 2021	3,000,000	52,395	3,052,395

Shares to be issued reserve consists of funds received in advance of Admission in January 2022. Note all placing letters were received before year end.

20 Acquisitions of a business

Net assets of business acquired	Book Value £	Adjustments £	Fair Value £
Trade and other receivables	100	–	100
Non-controlling interests			–
Goodwill			–
Total consideration			100
The consideration was satisfied by:			£
Issue of shares			100
Net cash outflow arising on acquisition			£
Cash consideration			–
Less: Cash and cash equivalents acquired			–
			–

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Revenue	–
Loss after tax	601,359

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the distribution of the company's products in new markets and the future operating synergies from the combination.

On 1 October 2020 the group acquired 100 percent of the issued capital of Hydropolis United.

On 1 October 2020 the group acquired 100 percent of the issued capital of HU2021 International UK Ltd.

Net assets of business acquired	Book Value £	Adjustments £	Fair Value £
Cash and cash equivalents	1,681	–	1,681
Non-controlling interests			–
Goodwill			–
Total consideration			1,681
The consideration was satisfied by:			£
Cash			1,681
Net cash outflow arising on acquisition			£
Cash consideration			1,681
Less: Cash and cash equivalents acquired			(1,681)
			–

NOTES TO THE GROUP FINANCIAL STATEMENTS

continued

20 Acquisitions of a business (continued)

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£
Revenue	–
Loss after tax	38,984

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the distribution of the company's products in new markets and the future operating synergies from the combination.

21 Capital risk management

The group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance,

The capital structure of the group consists of debt and equity comprising share capital, reserves and retained earnings. The group reviews the capital structure annually and as part of this review considers that cost of capital and the risks associated with each class of capital.

The group is not subject to any externally imposed capital requirements.

Currently the group will fund much of its first plant from shareholder equity raised funds. However, going forward the group has a high target gearing ratio as the group plan to raise debt against each plant to leverage relatively cheap debt costs in the current market.

22 Events after the reporting date

On Admission, the Company undertook a placing and raised £2.6 million net of expenses.

On Admission, the Company granted to Novum Services Limited or its associates ("Broker") warrants which give the Broker the right to acquire shares equivalent to 5% of the gross aggregate value of the funds raised from investors introduced by the Broker in the Placing, exercisable for a period of two years from Admission at an exercise price per share/warrant equal to the Placing Price.

On 26 April 2022 Hydrogen Utopia International PLC acquired 100,000 €1 Ordinary shares in Trifol Resources Limited, a company registered at Unit 1, Clonminam Business Park, Portlaoise, Co. Laois, Portlaoise, Laois, Ireland, for €500,000. The investment will allow the group to create its first European waste-plastic-to-hydrogen technology facility in County Tipperary, Ireland

23 Directors' transactions

As at 31 December 2021 the group owed £60 to A Binkowska and £40 to S Giles, directors of the company, in respect of interest free loans that are repayable on demand.

24 Ultimate controlling party

There is no controlling party of the group.

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2021 £
Share-based payments	52,395

25 Related party transactions (continued)

Other transactions with related parties

During the year the group paid expenses of £250 for Plastic Power Limited (A Binkowska) and £340 for The Plastic Neutrality Pledge (A Binkowska).

The following amounts were outstanding at the reporting end date:

As at 31 December 2021 the group was owed £250 by Plastic Power Limited (A Binkowska) and £340 by The Plastic Neutrality Pledge (A Binkowska) and owed £2,000 to Orison-IO Limited (H White).

26 Cash absorbed by operations

	2021 £
Loss for the period after tax	(1,036,461)
Adjustments for:	
Investment income	(184)
Depreciation and impairment of property, plant and equipment	23
Equity settled share based payment expense	52,395
Movements in working capital:	
Increase in trade and other receivables	(1,995,764)
Increase in trade and other payables	505,071
Recognition of shares to be issued	1,880,000
Cash absorbed by operations	(594,920)

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	£	2021 £
Non-current assets			
Property, plant and equipment	28		664
Investments	29		4,100
			4,764
Current assets			
Trade and other receivables	30	2,983,537	
Cash and cash equivalents		2,665,942	
		5,649,479	
Current liabilities		(429,622)	
Net current assets			5,219,857
Total assets less current liabilities			5,224,621
Equity			
Called up share capital	36		344,320
Share premium account			2,214,684
Other reserves			3,052,395
Retained earnings			(386,778)
Total equity			5,224,621

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £386,778.

The financial statements were approved by the board of directors and authorised for issue on 30 June 2022 and are signed on its behalf by:

G R Peters
Director

Company Registration No. 13421937

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Other reserves £	Retained earnings £	Total £
Balance at 1 October 2020		–	–	–	–	–
Period ended 31 December 2021:						
Loss and total comprehensive income for the period		–	–	–	(386,778)	(386,778)
Issue of share capital	36	344,320	2,214,684	–	–	2,728,804
Recognition of shares to be issued		–	–	3,000,000	–	3,000,000
Share based payment expense		–	–	52,395	–	52,395
Balance at 31 December 2021		344,320	2,214,684	3,052,395	(386,778)	5,224,621

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

27 Accounting policies

Company information

Hydrogen Utopia International PLC is a public company limited by shares incorporated in England and Wales. The registered office is Block D Imperial Works, Perren Street, London, England, NW5 3ED. The company's principal activities and nature of its operations are disclosed in the directors' report.

27.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified and in accordance with the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of IAS 1 Presentation of Financial Statements to disclose information regarding the management of capital;
- The requirements of IAS 7 Statement of Cash Flows and related notes;
- The requirements of IAS 24 Related Party Disclosures to disclose key management personnel compensation and to disclose related party transactions entered into between members of a group, provided that any subsidiary which is a party to the transaction is wholly owned;
- Certain disclosures of IAS 36 Impairment of Assets relating assumptions and valuation techniques used in impairment calculations;
- The requirements of IFRS 2 Share Based Payments to disclose narrative information concerning share-based payment arrangements;
- The requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in respect of the impact standards in issue but not yet effective.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The company applies accounting policies consistent with those applied by the group. To the extent that an accounting policy is relevant to both group and parent company financial statements, please refer to the group financial statements for disclosure of the relevant accounting policy.

27.2 Going concern

Refer to note 1.4 of the group financial statements.

27.3 Investments in subsidiaries

The Company's investment in its subsidiaries is carried at cost less provision for any impairment. Investments denominated in foreign currency are recorded using the rate of exchange at the date of acquisition. The carrying value is tested for impairment when there is an indication that the value of the investment might be impaired. When carrying out impairment tests these would be based upon future cash flow forecasts and these forecasts would be based upon management judgement.

28 Property, plant and equipment

	Computers £
Cost	
Additions	687
At 31 December 2021	687
Accumulated depreciation and impairment	
Charge for the period	23
At 31 December 2021	23
Carrying amount	
At 31 December 2021	664

29 Investments

	Current 2021 £	Non-current 2021 £
Investments in subsidiaries	–	4,100

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

Details of the company's principal operating subsidiaries are included in note 10.

Movements in non-current investments

	Shares in subsidiaries £
Cost or valuation	
At 1 October 2020	–
Additions	4,100
At 31 December 2021	4,100
Carrying amount	
At 31 December 2021	4,100

30 Trade and other receivables

	2021 £
VAT recoverable	42,931
Amounts owed by subsidiary undertakings	1,039,448
Other receivables	1,885,908
Prepayments	15,250
	2,983,537

Included within other receivables above is £1,880,000 in respect of shares to be issued not yet paid.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

continued

31 Trade and other payables

	2021 £
Trade payables	73,737
Accruals	332,731
Social security and other taxation	9,873
Other payables	13,281
	429,622

32 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2021 £
Share-based payments	52,395
	52,395

Other transactions with related parties

The following amounts were outstanding at the reporting end date:

As at 31 December 2021 the company owed £2,000 to Orison-IO Limited (H White).

33 Events after the reporting date

Refer to note 22.

34 Ultimate controlling party

Refer to note 24 of the group financial statements.

35 Share-based payment transactions

The company information for share-based payments is the same as the group information and is shown in note 18.

36 Share capital

Refer to note 16 of the group financial statements.

NOTICE OF ANNUAL GENERAL MEETING

Hydrogen Utopia International PLC (Registered in England and Wales No: 13421937)

Notice of Annual General Meeting

Notice is hereby given that the first Annual General Meeting of Hydrogen Utopia International Plc (the "Company") will be held at the offices of Laytons LLP, Pinners Hall, 105-108 Old Broad Street, London EC2N 1ER on 5 September 2022 at 11.00 a.m. for the following purposes:

Important information about the Annual General Meeting (AGM) and COVID-19

The Company will take into account any Government guidance or legislation in force at the time of the AGM. Should there be any changes to shareholders' ability to attend the meeting, or any other significant changes, we will notify shareholders by issuing a shareholder announcement via RNS and updating our website at www.hydrogenutopia.eu. Shareholders should monitor any relevant announcements and the Company's website for such updates.

If you are eligible and choose to attend the meeting, you will be required to comply with all reasonable requests to create a secure and safe environment. Shareholders who plan to attend the meeting in person are asked not to attend the AGM if they are displaying symptoms of COVID-19 or have recently been in contact with anyone who has tested positive.

Ordinary Business

To consider and, if thought fit, to pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Company's financial statements for the year ended 31 December 2021 together with the reports of the Directors and Auditor thereon.
2. To elect Aleksandra Binkowska as a director of the Company.
3. To elect Paul Formanko as a director of the Company.
4. To elect Steve Medlicott as a director of the Company.
5. To elect Guy Peters as a director of the Company.
6. To elect Keith Riley as a director of the Company.
7. To elect Howard White as a director of the Company.
8. To appoint Jeffreys Henry Audit Limited as Auditor of the Company until the conclusion of the next meeting at which financial statements are laid.
9. To authorise the Directors to determine the remuneration of the Auditor.

Special Business

To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

10. That, in accordance with Section 551 of the Companies Act 2006 (the "**Act**") the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("**Rights**") up to an aggregate nominal amount of £192,160 representing approximately one-half of the Company's issued share capital provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the next Annual General Meeting or 15 months after the passing of this resolution (whichever is the earlier) save that the Company may, before such expiry, make offers or agreements which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares or grant of Rights already made or offered or agreed to be made pursuant to such authorities.

NOTICE OF ANNUAL GENERAL MEETING

continued

To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

11. That, subject to the passing of resolution 10, the Directors be and are hereby generally authorised to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by resolution 10 as if Section 561 of the Act did not apply to any such allotment, provided that this authority shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue, open offer or otherwise in favour of the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange, fractional entitlements or otherwise; or
- (b) the allotment of equity securities (otherwise than pursuant to paragraph a) above) to any person up to an aggregate nominal amount of £192,160 representing approximately one-half of the Company's issued share capital as at the date of this notice.

This authority will expire at the conclusion of the next Annual General Meeting or 15 months after the passing of this resolution (whichever is the earlier) save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

12. That the Company be and is hereby generally and unconditionally authorised for the purposes of Section 693A of the Act to make off-market purchases (as defined in Section 693(2) of the Act) of its ordinary shares of £0.001 each for the purposes of or pursuant to an employees' share scheme (as defined in Section 1166 of the Act) on such terms and in such manner as the Directors may from time to time determine provided that:
- a. the maximum aggregate number of ordinary shares authorised to be purchased is 76,864,000 representing approximately 20 per cent. of the Company's issued ordinary share capital as at the date of this notice;
 - b. the minimum price (excluding expenses) which may be paid for each ordinary share is £0.001 per share;
 - c. the maximum price (excluding expenses) which may be paid for each ordinary share is an amount equal to 105 per cent. of the average of the closing middle-market quotation of the ordinary shares for the five business days immediately preceding the date on which the Company agrees to buy the ordinary shares concerned, based on the share price published in the Daily Official List of London Stock Exchange plc;
 - d. unless previously renewed, varied or revoked by the Company, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or 15 months after the passing of this resolution (whichever is the earliest); and
 - e. the Company may make a contract or contracts to purchase ordinary shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares in pursuance of any such contract or contracts.

BY ORDER OF THE BOARD

**Indigo Corporate
Secretary Limited**
30 June 2022

Registered Office
Block D Imperial Works
Perren Street
London
England
NW5 3ED

NOTES ON RESOLUTIONS

The following paragraphs explain, in summary, the resolutions to be proposed at the Annual General Meeting.

The Board considers that all resolutions proposed are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. Your Board unanimously recommends that shareholders vote in favour of them.

Resolution 1: Receipt of the 2021 financial statements

This resolution proposes that the directors' and auditor's reports and the audited financial statements of the Company for the year ended 31 December 2021, which are available online at www.hydrogenutopia.eu/ for download and printing, be received. Shareholders may raise any questions on the reports and financial statements under this resolution.

Resolutions 2 to 7: Election of Directors

The UK Corporate Governance Code and the Company's Articles of Association require a Director to be appointed at the AGM following their appointment as a director, therefore each director is standing for election. The Board, having considered the mix of skills, knowledge and experience of each of the Directors, confirms that it remains satisfied that each of the Directors perform his or her duties effectively. Biographical details of these Directors are set out on the Company's website www.hydrogenutopia.eu and in the Company's AQSE Admission Document, a copy of which is also available on the Company's website.

Resolutions 8 and 9: Appointment and remuneration of Auditor

Resolution 8 relates to the appointment of Jeffreys Henry Audit Limited as the Company's Auditor to hold office until the next Annual General Meeting of the Company whilst resolution 9 will be proposed to authorise the Directors to set the Auditor's remuneration.

Resolution 10: Directors' authority to allot shares

Resolution 10 grants the Directors' general authority to allot shares in the capital of the Company or to grant rights to subscribe for, or convert any security into, such shares in the Company up to an aggregate nominal amount of £192,160 representing approximately one-half of the Company's issued share capital (excluding treasury shares).

This resolution, which is an ordinary resolution, will expire on the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of the resolution, whichever is the earlier.

Resolution 11: Directors' authority to disapply pre-emption rights

The Directors believe that there may be circumstances when it is in the best interests of the Company to allot new shares either on an entirely non-pre-emptive basis or in a way that departs from the statutory requirements set out in the Companies Act 2006. Accordingly, resolution 11 grants the Directors general authority to allot equity securities for cash (a) in connection with a rights issue, and (b) otherwise than in connection with a rights issue, up to an aggregate nominal amount of £192,160 representing approximately one-half of the Company's issued share capital, as if section 561(1) of the Companies Act 2006 did not apply.

The resolution, which is a special resolution, will expire on the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of the resolution, whichever is the earlier.

Resolution 12: Authority for off-market purchase of own shares

This resolution seeks authority for the Company to make off-market purchases (as defined in Section 693(2) of the Companies Act 2006) of its own shares pursuant to Section 693A of the Companies Act 2006 for the purposes of or pursuant to an employees' share scheme. If passed, the resolution gives authority for the Company to purchase up to 76,864,000 ordinary shares of £0.001 each, representing approximately 20 per cent. of the Company's current issued share capital at a price or prices which will (i) not be less than £0.001; and (ii) not be more than 105% of the average of the middle-market quotation derived from the London Stock Exchange Daily Official List for the five business days before the relevant purchase is made.

NOTICE OF ANNUAL GENERAL MEETING

continued

It is the Directors' current intention that if any ordinary shares were purchased under this authority, would be held in treasury to meet the requirements of the employee share schemes operated by the Company.

The authority will expire on the next Annual General Meeting of the Company or the date falling 15 months from the date of the passing of the resolution, whichever is the earlier.

The following notes provide detailed information about your voting rights and how you may exercise them.

Safety and security at meeting

1. If you are eligible and choose to attend the meeting you will be required to comply with all reasonable requests to create a secure and safe environment, particularly in respect of the ongoing COVID-19 pandemic.

Entitlement to attend to vote

2. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the Company's register of members at 11.00 a.m. on 3 September 2022 or, if the meeting is adjourned, at 11.00 a.m. on the day two days prior to the adjourned meeting, will be entitled to attend, speak and vote at the meeting. Changes to the register of members after the relevant deadline will be disregarded in determining the rights of any person to attend and vote at the meeting.

Appointment of proxies by post

3. A member entitled to attend and vote at the Annual General Meeting may appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote on his or her behalf. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to different shares. To appoint as your proxy a person other than the chair of the meeting, insert their full name in the box on the Form of Proxy accompanying the annual report. Where you appoint as your proxy someone other than the chair, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any commitments on your behalf, you will need to appoint someone other than the chair, and give them the relevant instructions directly.
4. If you sign and return the proxy form with no name inserted in the box, the chair of the meeting will be deemed to be your proxy.
5. To be effective, the form of proxy must be (i) completed and signed, (ii) sent or delivered to the Company's registrars, Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, and (iii) received by Neville Registrars Limited no later than 11.00 a.m. on 3 September 2022. Any power of attorney or other authority under which the form of proxy is signed (or a notarially certified copy or a duly certified copy of such power or authority) must be included with the form of proxy.

Appointment of proxies through CREST

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available via www.euroclear.com). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. For a proxy appointment or instructions made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("**EUI**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Neville Registrars Limited (ID 7RA11) no later than 11.00 a.m. on 3 September 2022, or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the

appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Inspection of documents

7. The register of directors' interests in the shares of the Company and copies of the directors' service contracts and letters of appointment, other than those expiring or determinable without payment of compensation within one year, are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this notice until the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

Other matters

8. A shareholder may not use any electronic address provided either in this notice or any related documents (including the form of proxy), to communicate with the Company for any purposes other than those expressly stated.

Hydrogen Utopia International PLC

Block D, Imperial Works

Perren Street

London

NW5 3ED

www.hydrogenutopia.eu

Incorporated in England and Wales under the Companies Act 2006

Registered Number 13421937