REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2023

ATOME PLC
THE INTERNATIONAL GREEN FERTILISER COMPANY PRODUCING, MARKETING AND DISTRIBUTING GREEN AMMONIA AND NITROGEN FERTILISER PRODUCTS

Green fertiliser, delivering a cleaner, more sustainable future for our planet and improving food security for all

Chairman's Statement

Summary

This is the second Annual Report and Accounts for ATOME and reflects demonstrable positive progress towards our goal of achieving Final Investment Decision on our flagship Villeta Project and start of construction there by the end of this current year.

It was only on 30 December 2021 that ATOME joined the London Stock Exchange's AIM market and today ATOME remains the only pure play green fertiliser production company on the London market. Since Admission, the Company has made remarkable progress placing us at the forefront of the world green fertiliser industry.

Maintaining our fast-track schedule to be the first industrial scale producer of green fertiliser, we successfully achieved numerous milestones in the year under report. These include acquiring 30 hectares (75 acres) of land for the Villeta project, completing the necessary Environmental and Social Impact Study, obtaining necessary environmental and operational licenses, gaining Tax Free Zone status for our Villeta facility as well as increasing the power purchase agreement there to 145MW. The progress has continued into this year with the FEED study completed.

We now have three exciting world scale projects, the 145MW project in Villeta, Paraguay, our 300MW Yguazu project also in Paraguay and the 120MW project in Costa Rica. In respect of our first project Villeta we look forward to agreeing offtake for our entire production in the near future.

We have every confidence that ATOME will go from strength to strength in the years ahead and become one of the world leaders in the production of green fertiliser, delivering capital appreciation to our shareholders from sustainable growth whilst being an important contributor to the drive for global net zero in the food and agriculture industries.

Financial

The financial statements present group results for ATOME PLC for its second full year of operations, following its debut in 2021.

Total comprehensive loss for the year ended 31 December 2023 was US$6.6 million (2022: US$5.9 million), in line with expectations, reflecting the increased level of activity and fast track development throughout ATOME's project portfolio.

Sustainability

ATOME acknowledges and respects the increasing emphasis on climate change around the world. The Company aims to build a platform for a cleaner, more sustainable future for our planet in recognition of the climate change imperative driving nations and industries around the world to "green" their infrastructure, operations, and products.

Conclusion

I would like to close by thanking all my colleagues throughout the company for their contribution to the success of ATOME. Together we work towards delivering another year of significant achievement, progress and delivery of value to our shareholders.

Peter Levine
Chairman
26 June 2024

Chief Executive Officer's Statement

Since its foundation and subsequent emergence as an independent AIM listed business ATOME has made great operational progress and established itself as a leading international developer in the field of green ammonia and its derivatives, with a unique focus on green fertilisers. ATOME's strategy has been clear since day one: we look to accelerate the development of our business by looking for reasonably sized projects, leveraging existing infrastructure in order to be first to market producing green fertiliser at the lowest cost possible near markets with existing demand.

We listed in London through our IPO in December 2021 having become a public company two months earlier. At the time of Admission to AIM we had our two core projects in Paraguay and Iceland, both substantive in nature and providing significant opportunity for significant increases in shareholder value, extending into the future. Hindsight, together with subsequent events, has shown ATOME to be the right company at the right time for the green ammonia and fertiliser markets.

I am pleased to report that since our first annual report for 2022, ATOME has now completed front end engineering and design (FEED) study for its first project in Villeta, Paraguay. It is not only significant for us, but it is also the first industrial scale green fertiliser FEED globally. We are now rapidly proceeding towards agreeing terms and conditions for a definitive form PPA for the 300MW Yguazu project in Paraguay combined with continued progress in Costa Rica with National Ammonia Corporation, where we are actively working on securing power for this project. All this progress has considerably exceeded our original expectations at the time of the IPO both in scale and the time frame of our business.

In January 2023, we created National Ammonia Corporation S.A (NAC), a joint venture with Cavendish, the renewable energy arm of the Quirós family-owned Grupo Purdy S.A., one of the largest corporations in Costa Rica, to pursue renewable energy generation and green ammonia based fertiliser production. Similar to Paraguay, Costa Rica is one of the greenest countries in Latin America with a significant agricultural sector, presenting a great opportunity to leverage all the work we are currently doing in Paraguay and fast track project development there.

In May 2023, being armed with the already signed PPA, we took the decision to solely focus Villeta as a producer of green fertiliser (Calcium Ammonium Nitrate, or CAN) being the most value accretive option for the production facility, supplying that product to the fastest growing agricultural market globally in Mercosur and further. We also entered into a strategic partnership with Baker Hughes who invested in the Company and with whom we have agreed rights of first offer for the supply of compressor and other equipment to our projects. The FEED study for Villeta is now complete, with offtake terms for 100% of product in the process of final negotiation projected to provide structured support for long-term sales to underpin Villeta project commerciality and bankability.

Following the strategic review of our portfolio in view of significant effort, progress and clear path to market achieved in Paraguay and Costa Rica, we took a decision to divert the focus from the less commercially attractive operations in Iceland, with the 75% owned subsidiary Green Fuel ehf formally wound down in February 2024.

We believe ATOME is ideally placed to not only decarbonise food and agriculture sector but also increase food security. Our projects will contribute significantly to fulfilling the UN's Sustainable Development Goals (SDGs), particularly SDG 2, 7, 9, 11, 12 and 13 which cover hunger, affordable and clean energy; industry, innovation, and infrastructure; sustainable cities and communities; responsible consumption and production; and urgently combating climate change.

The stable price environment, the increasing demand for fertilisers, together with the international emphasis on environmentally necessary green commodities and security of supply, has provided a very fertile end market for ATOME's planned production. We have ever increasing confidence, backed by industry interest in us and strong support from a number of financial institutions, that there will be robust demand for our production which will support strong economics for our business, with profitability and sustainability going hand in hand.

We look forward to delivering further material progress during the balance of 2024 as we move forward with bringing our projects on-line with FID on Villeta projected by the end of this year and production targeted to commence in 2027. We intend to further develop a pipeline of new international projects in other jurisdictions as we become increasingly recognised as a leading first-mover developer in green ammonia and fertilisers.

Olivier Mussat
Chief Executive Officer
26 June 2024

Strategic Report

Principal Activities, Risk and Uncertainties

The Group conducts an international business whose principal activities are for the purpose of producing, marketing and distributing sustainably produced green ammonia and derivatives, with primary focus on green nitrogen fertilisers. A comprehensive review of the development of the business of the Group is contained in the Chairman's Statement on page 2 and the Chief Executive Officer's Statement on Page 3. Details of the statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006 is included in the Corporate Governance Statement.

Financial Review

The consolidated financial statements present the group results for the year ended 31 December 2023 for ATOME PLC, an independent AIM listed business focused on producing, marketing, and distributing green hydrogen and ammonia, as well as derivative products including fertilisers.

In May 2023, the Group raised US$5.1 million and fully received US$4.6 million by 31 December 2023 through a placing to Baker Hughes and other institutional and private investors. In 2024, ATOME raised further US$2.5 million through a market placing.

Further funding will continue to be required from shareholders, lenders or otherwise for the Company to achieve success in project financing for Villeta Project with the desired outcome of cash generative production in 2027 and to continue its operations, which indicates the existence of a material uncertainty over the Group's and the Company's ability to continue as a going concern.

Additional funds may be made available to the Group in the form of the commitment based on the support letter ("the Facility") provided by Peter Levine through one of his entities. The terms thereof provide inter alia for a facility of up to £4 million for a period up to 30 September 2025 to support working capital needs.

The Facility is unsecured and will be repayable on the earlier of a future fundraise by the Company of at least £4 million, in which Peter Levine will have the right to participate to maintain his current interest in the Company, or when FID is declared on the Villeta Project. The Facility bears an interest rate of SOFR plus 4% on drawn amounts, a commitment fee of 1% on undrawn amounts and an initial facility fee of 2.5%, all of which can be settled in shares.

The financial results of the Group are presented in US Dollars as all the Group's budgeting, cost management and future trading are primarily denominated and maintained in US Dollars. All translation differences arising from translation from functional to reporting currency are taken to the Foreign Currency Translation Reserve on the statement of financial position.

Key Performance Indicators

Key Performance Indicators are used to measure the extent to which Directors and management are reaching key objectives. The key milestones for 2023 are establishing commercial agreements to progress the business towards the investment decision point and managing cash resources. The principal methods by which the Directors monitor the Group's performance will evolve as the business grows.

Risks relating to the Group and its business strategy

The Group has no operating history prior to commencing the Projects, and no current revenues or results of operations, meaning that there is no basis on which to evaluate the Group's performance or its ability to implement its business objective of successfully completing the Projects. The Group will not generate any revenues from operations, if any, unless and until at least the first phase of the Projects have completed, and there can be no guarantee that the Projects will be completed.

Whilst every effort is being made to cover the risks associated with the implementation of the Projects, there can be no guarantee that there will not be some unforeseen matter which has a material effect on their implementation, including whether full industrial production of hydrogen and ammonia will ever commence or the Group or its business can be profitable, which may have a material adverse effect on the Group's business, financial condition or results of operations.

An agreed source of green electricity supply is fundamental

The supply of green renewable sourced electrical energy is fundamental to the implementation of the Group's business plan. Whilst there is existing available green renewable electrical energy where the Group currently operates, there may be a risk that the Group is unable to finalise the terms of a power production agreement with the relevant power suppliers on a basis necessary to have a viable business or, even if such agreements are concluded, that such supply may be impacted by external force majeure factors, or that the commercial terms crucial to the economic delivery of the Group's products may change or that the supply and availability of power is delayed or the amount of power required by the Projects may change, all of which may have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

Furthermore, to the extent that the Group enters into power purchase agreements to fix the tariffs for the electricity used or enters into derivative agreements with a view to hedging against fluctuations in prices (such as contracts for difference ("CFDs")), the Group may be exposed to risk related to requiring an amount of electricity over a specific period. If there are periods of non-production the Group may need to pay the difference between the price it has purchased the power at and the market price at that time which could have a material adverse effect on the Group's profitability and/or the price of the Ordinary Shares.

Where the Group has entered discussions on the provision of potential renewable electricity supplies, including non-binding MoUs, there is no guarantee that legally binding power purchase agreements will be eventually executed, and absence of these agreements could have a material adverse effect on the Group's profitability and/or the price of the Ordinary Shares. This has been mitigated in Paraguay by the signing of a long-term 60 MW power purchase agreement in May 2022, with further expansion to 145 MW signed in July 2023.

There can be no assurance that the green ammonia and fertiliser sector will develop

The market for green hydrogen and ammonia is developing rapidly and with this comes uncertainty as to the extent of markets being able to take or appropriately pay for the Group's production. This together with increasing competition may affect the Group's ability to sell its products in the regions of its geographical focus for export or at all. Whilst Governments and corporations globally are identifying green hydrogen as a key driver in delivering the energy transition to a low carbon economy, delivering this pathway will require significant and sustained investment and policy support for green hydrogen and strong growth in the supply chains behind it. In the event of the absence of significant and sustained investment and policy support in the medium to long term and/or if the expected adoption of hydrogen end-uses is not achieved, there may be a risk of potential adverse effect on the financial prospects of the Projects and resulting adverse effect on the performance of the Group, its future earnings and returns to Shareholders.

The future market price of green fertiliser, ammonia and derivative products is uncertain

The successful development of a green fertiliser project is dependent on the terms of any offtake agreement, which will reflect the prevailing market price inter-alia of hydrogen and ammonia. The market prices are determined by a number of factors beyond the Group's control, including market demand and the costs of production of competing products such as fossil-fuel based ammonia and related derivative products. There can therefore be no assurance on future levels of market prices for the Group's future production, and whether the Group's Projects would be economic. If the market price falls below the costs of production, this may potentially adversely impact the Company's performance, its earnings and returns to shareholders.

Although the Company believes the current economic environment has created significant opportunities in the sphere of production of green ammonia and fertiliser, there may be competition for certain of these opportunities

There may be worldwide competition from others interested in the production of green ammonia and fertiliser in the counties in which the Projects are based. Such competition may for example come from strategic players and public and private investments funds. Although the Company believes that it is well placed to prosper notwithstanding such potential competition, there is no guarantee that the Company will be successful against such competition.

The Company may not be able to obtain financing on terms acceptable to the Company

The Company will need to raise additional funding, either equity or debt financing, to fully finance the development and construction of the Projects and there can be no guarantee that the Company will be able to obtain the funding required or do so on terms that are acceptable to the Company at the time required. If the Company is unable to fully finance the development and construction of the Projects, the Projects may need to be cancelled or significantly restructured, either of which may have a material adverse effect on the Company's business, financial condition, or results of operations. The failure to obtain such financing or to secure it on acceptable terms would have a material adverse effect on the Company and its Projects, and therefore on the Company's business, financial condition, results of operations and/or prospects.

Dependence on key executives and personnel
The future performance of the Company will depend heavily on its ability to recruit and retain the services of key executives and to recruit, motivate and retain further suitably skilled, qualified, and experienced personnel. The Company is recruiting personnel with existing expertise in the running and operations of the Projects to support the Company in its operations. However, there may be a risk that the Company may be unable continue to recruit personnel of the right expertise and calibre. Changes in personnel may have a material adverse effect on the Projects or the Company's business operations. The Company is also dependent on the Directors to manage its Projects. Although the Directors have entered into letters of appointment with the Company, the loss of the services of any such individual may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Company.

Risks relating to the projects

There can be no guarantee that the completion of the Projects will take place or that they will be successful.
The Group's business strategy and business model depend on the successful completion of the Projects and on the effective and successful running of the Projects once completed. There can be no guarantee that appropriate power purchase agreements will be entered into in respect of each of the Projects on satisfactory terms or at all, or that the necessary equipment for production of hydrogen, ammonia and fertilser can be procured on satisfactory terms. Furthermore, there is no guarantee that final agreements in relation to securing land with adequate nearby water supply suitable for each of the Projects and available transmission lines for power can be completed on satisfactory terms or at all.

The initial phases of the Projects might not be successfully completed, and accordingly the Projects might be unable to progress to full industrial production phases of hydrogen, ammonia and green fertilser. As a result, the Group might not be profitable or be able to complete the Projects at a price that is consistent with its objectives or at all, which would have a material adverse effect on the Group's business, financial condition, or results of operations. If the Group fails to complete the Projects, it may be left with substantial unrecovered costs and which would have a material adverse effect on the Group's business, financial condition, results of operations and/or the price of the Ordinary Shares.

Risks relating to the durability and technical design of green hydrogen, ammonia and fertilser plants
Hydrogen generation and transmission plants, ammonia and fertiliser facilities are technically complex and some of the relevant technologies are relatively new. There are few comparable systems worldwide that can be used to forecast the durability of such plants. Therefore, there is a risk that the plants cannot be used over the entire forecast period for their intended use and/or fail to achieve or maintain the predicted efficiency. Additional costs may be incurred for maintenance, renewal or replacement of the plants or their system components. There may be a risk of damage or even destruction of the plants due to extreme weather events and geological risks. The Group plans to enter into insurance agreements to cover potential losses due to these unforeseen events.

Technology advancement and obsolescence risks
A change could occur in the way a service or product is delivered making the technology selected by the Projects obsolete or non-commercial. The significant fixed costs involved in constructing the plant means that any technology change that occurs over the medium term could threaten the profitability of the Group, in particular due to the financing projections that are dependent on an extended project life. In such circumstances, the Projects may have to invest in replacement plant, with a possible interruption in production, which may potentially have a material adverse effect on the Group's profitability and the price of the Ordinary Shares.

Risks relating to the price of equipment
The price of equipment in relation to the Projects can increase or decrease. The price of equipment can be influenced by several factors, including the price and availability of raw materials, demand for the relevant equipment and any import duties that may be imposed on that equipment. Unexpected increases in the cost of equipment may potentially have a material adverse effect on the Group's ability to meet its investment criteria and on the Group's profitability and the price of the Ordinary Shares.

Construction risks
The Projects will require significant capital expenditure and pre-production operational funding, the quantum of which may be greater than planned due to cost overruns, construction delay, failure to meet technical requirements or construction defects which may be outside the Group's control.

If a third party is liable to repair or remedy any construction defect that third party may not be able to carry out such repair or remedy by the agreed deadline or at all and/or the relevant defects may not be adequately covered by warranty. Even if such defects are covered by warranty, they may only occur after the warranty period expires, or the relevant damages may exceed the scope of the warranty and therefore not be capable of full recovery.

As a result, it may not be possible to recoup all damages and/or losses incurred as a result of construction related risks coming to fruition. Additional costs and expenses, delays in construction or carrying out repairs, failure to meet technical requirements, lack of warranty cover and/or consequential operational failures or malfunctions may have a material adverse effect on the Group's profitability and the price of the Ordinary Shares.

Environmental risks

Environmental laws and regulations in the jurisdiction in which the Projects are located may have an impact on the Group's activities. It is also not possible to predict accurately the effects of future changes in such laws or regulations on a Project's performance.

There can be no assurance that environmental costs and liabilities will not be incurred in the future. In addition, environmental regulators may seek to impose injunctions or other sanctions on a Project's operations that may have a material adverse effect on its financial condition.

To the extent that environmental liabilities arise in relation to any sites owned or used by the Group may be required to contribute financially towards any such liabilities, and the level of such contribution may not be restricted by the value of the Projects. If any such financial contributions are required these may have a material adverse effect on the Group's profitability and the price of Ordinary Shares.

Requirement for regulatory approvals, permits, licenses and government support

The construction and operation of hydrogen and ammonia production, storage and distribution plants, facilities and/or infrastructure will require regulatory approvals, permits and licences to operate, and in some circumstances government financial support.

Even with careful planning and verification, it is possible that not all necessary permits or licences for the construction and operation of each hydrogen and ammonia plant, facility and/or infrastructures in each relevant jurisdiction will be obtained. Each Project is also subject to the risk that a particular permit or licence is altered, withdrawn or expires and cannot be extended, which can lead to suspension, delay, or restriction in operations.

In addition, relevant authorities may impose conditions on the commencement or duration of the operation of the hydrogen and ammonia plants, facilities and/or infrastructure. This may delay or restrict the operation of the plants, facilities and/or infrastructure and/or increase the costs of operation. Furthermore, governments over time may change their level of financial support for hydrogen and ammonia plants, facilities, offtake, and/or infrastructure. As a result, these may have a material adverse effect on the Group's profitability and the price of its Ordinary Shares.

Changes in regulation of the hydrogen and ammonia sector

The hydrogen energy sector is evolving and the subject of intense and sometimes rapidly changing regulation. The Group is exposed to the risk that the competent authorities may pass legislation that might hinder or invalidate rights under existing contracts as well as hinder or impair the obtaining of the necessary permits or licences necessary for facilities in the construction phase.

Furthermore, the relevant licences and permits may be adversely altered, revoked, or in the case of their expirations are not extended by the relevant authorities. These actions and any litigation undertaken by the Group in response may potentially have a material adverse effect on the Group's profitability and/or the price of its Ordinary Shares.

Financial Risk Management Objectives and Policies

Exchange rate risk

The Group has principally financed its operations from equity issues in pounds sterling that have been converted to US Dollars, Paraguayan Guarani or Icelandic Krona as required to match expected expenditure plans. These principally consist of project expenditure in Paraguay and Iceland.

The Group mitigates currency risk by holding cash reserves in the currencies it requires for expenditure and may take out currency options from time to time to hedge significant currency exposure. Sterling is retained for central corporate costs. Further details are provided in Note 23.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

ATOME's purpose is to contribute to a better future through building from the ground up, new businesses in key locations around the world in cost efficient, long-term co-operation with green energy suppliers and original equipment manufacturers to deliver optimal production performance and value to shareholders. We are focused on creating sustainable long-term value for each of our stakeholders.

To achieve this, the Board has established the Company's strategic roadmap, where it has placed priority on good engagement with all stakeholders and it has considered and monitored the Company's principal risks. The Board takes each of these matters into account and the likely long-term consequences of its decisions when pursuing the Company's purpose.

The Directors of the Company are required by Section 172 of the Companies Act 2006 to act in a way that promotes the success of the Company for the benefit of stakeholders as a whole and in doing so they must also have regard to wider expectations of responsible business behaviour, specifically:

- the likely consequences of any decision in the long-term;
- the interests of the Company's people;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

The Board understands the importance of engagement with its key stakeholders as only in this way can it truly understand their needs and concerns to support its decision making, and the likely impact of those decisions on each stakeholder group. The Company uses a variety of methods to engage, both formally and informally, believing that much can be gained from personal interaction.

The Board acknowledges that situations may arise where stakeholder groups have conflicting priorities of achieving its strategic objectives and the long-term sustainable success of the business.

Following consideration of the information contained within Stakeholders and Engagement, and all other activities and undertakings detailed in this Annual Report, the Board considers it has fulfilled its duty in respect of Section 172, both individually and collectively, and that it has acted in the way it considers would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) (a) to (f) of the Act) in the decisions taken during the year ended 31 December 2023.

ON BEHALF OF THE BOARD
Robert Sheffrin
Group Finance Director
26 June 2024

Directors' Report

The Directors present their report and the audited financial statements of ATOME PLC for the period ended 31 December 2023.

Directors

The Directors of the Company and those who served during the year were as follows:

Principal
Peter Levine
Olivier Mussat
James Spalding
Robert Sheffrin
Nikita Levine
Richard Day
Mary-Rose de Valladares

None of the Directors have a service agreement of more than one year's duration. Aside from those disclosed in the Directors' Remuneration Report starting on page 11, no Director has had a material interest in any contract of significance with the Company or its subsidiaries during the year. Details of the Directors' interests in the shares of the Company are also set out in the Directors' Remuneration Report.

Results and Dividends

The Group's loss for the period after taxation amounted to US$6.9 million. The Directors do not recommend a dividend.

Capital Structure

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the period are shown in Note 18. Each ordinary share carries the right to one vote at general meetings of the Company.

Subsequent Events

Substantial Shareholders

As at 21 June 2024, the Company had been notified in accordance with the requirements of provision 5.1.2 of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules of the following significant holdings in the Company's ordinary share capital:

Molecular Energies Ltd	18.4%
Schroders Investment Management Limited	12.1%
PLLG Investments Limited*	7.9%
Baker Hughes UK Funding Company Ltd	6.3%
Alpha Energies Invest GmbH*	5.6%
Urion Holdings (Malta) Limited	4.9%
Peter Levine	4.1%
Olivier Mussat	3.6%
Clean Power Hydrogen PLC	3.1%

Percentages are based on the issued share capital at the date of notification.

*Peter Levine is a beneficial owner

Directors' interests in the share capital of the Company are disclosed in the Directors' Remuneration Report.

Further details of PLLG Investments Limited are set out in Note 26.

Going Concern

The Group's consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Directors have undertaken a review of the Group's working capital requirements considering future availability of funds from the sources including share placing in the market and shareholder loan facility.

The cash position at the 31 December 2023 was US$0.6 million (2022: US$3.5 million), with US$0.9 million (2022: US$1.6 million) receivable for shares issued under the share placings.

In 2024, the Group has raised additional funding totalling US$2.5 million through a share placing to further the development of the Group's activities (see note 25).

The Directors continue to monitor cash forecasts closely and apply sensitivity analyses to manage liquidity risk effectively. Cash-flow forecasts incorporate the projected settlement of the net current liabilities related to investment activity as detailed in the Strategic Report. In arriving at their view on going concern, reasonable downside sensitivities are considered under which scenarios the Group can elect not to proceed with discretionary expenditure to mitigate risks accordingly.

Additional funds may be made available to the Group in the form of the commitment based on the support letter ("the Facility") provided by Peter Levine through one of his entities. The terms thereof are detailed in Note 25 to the Group's financial statements and provide inter alia for a facility of up to £4 million for a period up to 30 September 2025 to support working capital needs.

Further funding will continue to be required from shareholders, lenders or otherwise for the Company to achieve success in project financing for Villeta Project with the desired outcome of cash generative production in 2027 and to continue its operations, which indicates the existence of a material uncertainty over the Group's and the Company's ability to continue as a going concern.

The Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Risk and Uncertainties

These have been included in the strategic report

Payment Policy and Practice

It is company and group policy to settle all debts with creditors on a timely basis and in accordance with the terms of credit agreed with each supplier. Normal payment terms are about 30 days or less. The Group had no trade creditors overdue at 31 December 2023 beyond agreed credit terms.

Third Party Indemnities

The Group has taken out Directors and Officers liability insurance and Third-Party liability insurance.

Related Parties

Details of the Group's related party transactions are outlined in Note 26.

Auditor

Each of the persons who is a director 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 Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company'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.

Annual General Meeting

Attention is drawn to the Notice of Meeting enclosed with this Annual Report which sets out the resolutions to be proposed at the forthcoming Annual General Meeting.

The Annual General Meeting will be held at 10.00am on 24 July 2024 at Carrwood Park, Selby Road, Leeds, LS15 4LG.

ON BEHALF OF THE BOARD
Peter Levine
Chairman
26 June 2024

Directors' Remuneration Report (unaudited)

Whilst the Company is not required to present a directors' Remuneration Report, as it is not subject to the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, AIM notice 36 states that the annual accounts must provide disclosure of directors' remuneration for the year by each director. The Company has chosen to present this information in this separate directors' Remuneration Report.

The current Directors are:

Peter Michael Levine – Chairman (age 68)
Peter Levine MA (Oxon), qualified as a solicitor in 1980 and is an entrepreneur and investor primarily in the energy, construction and technology sectors. Between 1993 and 2008 Peter Levine was Deputy Chairman and then Chairman of the then FTSE 250 listed steel construction company, Severfield-Rowen Plc (now Severfield), during its period of significant growth. Peter Levine founded the former FTSE 250 listed oil production company (originally admitted to AIM in 2004), Imperial Energy Corporation PLC, in 2004 and was Executive Chairman and largest individual shareholder until the US$2.4 billion sale to ONGC Videsh Limited which completed in January 2009 as well as Chairman of Keltbray Plc. Since 2014, Peter Levine has been the Chairman and Chief Executive of ATOME's former parent company, Molecular Energies Limited, as well as chairman of its Argentine oil producing company President Petroleum S.A. He holds his investments in ATOME through various entities linked to his family i.e. PLLG Investments Limited.

Richard Joseph Day – Deputy Chairman and Senior Independent Non-Executive Director (age 64)
Richard Day was a co-founder of AIM-traded institutional stockbroker, Arden Partners plc where he worked from 2002 until 2015 and was Head of Corporate Finance. Richard Day is also Chairman of Eden Geothermal Limited, a private company, which is drilling the first well on its two-well deep geothermal site at the Eden Project in Cornwall. Richard Day is a qualified lawyer, a member of the Law Society and the QCA Remuneration Committee and is an MCSI of the Chartered Institute for Securities & Investment.

Olivier Charles Frederic Mussat – Chief Executive Officer (age 49)
Prior to joining ATOME, Olivier Mussat was Chief Investment Officer – Energy, at the International Finance Corporation in Washington D.C., part of the World Bank Company, where he had been for 9 years, Olivier Mussat is experienced in funding and managing energy infrastructure assets and early to late-stage companies, leading over US$500 million of direct equity investments and over US$30 billion of corporate and structured finance debt. Previously, Oliver Mussat was co-head in Oil & Gas Project Finance at Standard Chartered Bank in London and started his career as a field engineer in the power sector with Ecolochem International (a GE company). Olivier Mussat graduated with a B.A., International Studies, from Virginia Wesleyan University in 2000 and an M.S., Technology and Management from Ecole Centrale Supelec, Paris in 2004, and has been a member of the Society of Petroleum Engineers since 2008.

James (Jim) Edward Clifton Spalding (Hellmers) – Director and President of ATOME Paraguay (age 57)
James Spalding was the Paraguayan General Director of the jointly owned Paraguay-Brazil hydroelectric dam, Itaipu Binacional, between 2013-2018. Between 2003-2009, he was Ambassador of the Republic of Paraguay in the US, where he served in 2009 as Dean of the Latin America Ambassadors Company (GRULA). Since 1993, James Spalding has held a number of public sector positions in Paraguay including in 2002, as Minister of Finance and Coordinator of the National Economic Team, as well as Governor of Paraguay to the IDB, World Bank group, CAF and FONPLATA, President of the Board and CEO of Paraguayan Petroleum (PETROPAR) (1998-2000), Vice minister of Commerce (2000) and Vice minister of Economy and Integration and additionally Alternate Governor to the IDB, World Bank group, CAF and FONPLATA (2000-2002). He graduated with a Bachelor of Arts degree with a major in Economics (Honors: Cum Laude) from the University of Massachusetts, Amherst, USA, in May 1989, and a Master of Arts degree (Economic Development) from Rutgers University, New Jersey, USA, in October 1992.

Robert Anthony Sheffrin – Finance Director (age 69)
Robert Sheffrin was an investment director in the Intellectual Property and Commercialisation team at the University of Central Lancashire until 2023 and is an Honorary Fellow of the Leeds Business School Centre for Entrepreneurship and Knowledge Exchange at Leeds Beckett University. Robert is a former director of the UK Business Angels Association, former ICAEW Council Member and past president of the ICAEW Manchester. Robert trained as a chartered accountant with KPMG, is a

fellow of the ICAEW and a member of the Chartered Institute for Securities & Investment. Between 2006 and 2011, he was compliance director of Brooks Macdonald Funds Limited.

Nikita Petrovich Levine – Business Development Director (age 28)
Nikita Levine is currently head of Investor Relations at Molecular Energies Ltd. Nikita Levine graduated from University of Leeds Business School with an M.Sc. International Business in September 2019 and a BA in French and Russian Civilisation in 2018.

Mary-Rose de Valladares (nee Szoka) – Independent Non-executive director (age 72)
Mary-Rose de Valladares MA, MBA, is a clean energy, hydrogen, environment, and sustainability consultant and served as the General Manager of IEA (International Energy Agency) Hydrogen Technology Collaboration between 2003 and 2020. Mary-Rose de Valladares was the US Department of Energy National Renewable Energy Laboratory project developer for the 1996 Olympics in Atlanta, the first clean energy Olympics. She also served on the US National Hydrogen Association Board of Directors and co-founded the New Mexico Solar Energy Industry Association. Mary-Rose graduated with a Diplôme, French Civilisation from the University of Paris at the Sorbonne in 1973, a BA, Anthropology and Foreign Languages, from the University of Maryland in 1974, an MA, Urban Planning and American Studies in 1976 and an MBA from Georgetown University McDonough School of Business in 1998.

Remuneration Committee
The Remuneration Committee comprises Mary-Rose de Valladares (as chair) and Richard Day, both of whom are independent. The Remuneration Committee will review the performance of the executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. Under its terms of reference, the Remuneration Committee is required to meet at least twice a year and is responsible for ensuring that the Company can recruit and retain Executive Directors, officers and other key employees who are fairly rewarded (which extends to all aspects of remuneration) for their individual contribution to the overall performance of the Group.

Remuneration Policy
The Group's policy is to maintain levels of remuneration to attract, motivate and retain directors and other key employees of the highest calibre who can contribute their experience and views to the Group's strategy and operations. Individual remuneration packages are structured to align rewards with the performance of the Group and the interests of shareholders.

Directors' Terms, Conditions and Remuneration
The Directors have been engaged under the terms of executive service agreements and letters of appointment. Their initial engagements can be terminated after with twelve months' notice except for Mr Sheffrin and Mr Day who are on three months' notice. Thereafter, engagements can be terminated by either party with between three, six or twelve-months' notice. Articles of Association, which provide for retirement by rotation of one third of the board at each Annual General Meeting. For the year ending 31 December 2023, the Directors' remuneration comprised a basic salary and the granting of share options to certain executives. There were no taxable benefits or payments to pension schemes.

Directors' remuneration
The directors' remuneration is set out below.

	2023 US$'000	2022 US$'000
Peter Levine	778	588
Olivier Mussat	731	543
Robert Sheffrin	58	60
Nikita Levine	184	93
James Spalding	494	257
Mary-Rose De Valladares	112	164
Richard Day	90	59
Terje Bakken	250	24
	2,697	1,788

Bonuses for directors in relation to the year ended 31 December 2022 totalling US$1,125 thousand and US$362 thousand in relation to the year ended 31 December 2021 were awarded by the Board based on the Remuneration Committee recommendation in December 2023 and are included in the remuneration above. These amounts were unpaid at the reporting date and, apart from agreed cash component totalling US$26 thousand, were settled either via new shares issued in the February 2024 placing or as an offset against amounts receivable by the Company for shares previously issued.

Further details on Directors' share options can be found in Note 19.

Directors' Interests in the Share Capital of the Company

The beneficial interests of the current Directors in the Ordinary Shares of the Company are:

	31 December 2023 0.2p shares	31 December 2023 % interest	31 May 2024 0.2p shares	31 May 2024 % interest
Peter Levine	7,731,962	19.17%	7,926,962	17.65%
Olivier Mussat	1,424,566	3.53%	1,616,566	3.60%
Mary-Rose de Valladares	118,354	0.29%	206,354	0.46%
Robert Sheffrin	98,672	0.24%	121,672	0.27%
James Spalding	93,955	0.23%	465,955	1.04%
Nikita Levine	90,030	0.22%	125,030	0.28%
Richard Day	24,416	0.06%	60,416	0.13%

*The Ordinary Shares shown against Peter Levine's name include his direct holding of 1,838,066 Ordinary Shares, 2,530,000 Ordinary Shares held by Alpha Energies Invest GmbH and 3,558,896 Ordinary Shares held by PLLG Investments Limited.

Executive Bonus Scheme

The Remuneration Committee sets targets for directors and staff which contain both operational and strategic targets.

Share Options Granted to Directors

Details of options granted and held during the year are set out in Note 19.

This report was approved by the Board on 26 June 2024 and was signed on its behalf by:

Peter Levine
Company Secretary
26 June 2024

Corporate Governance Statement

The Directors recognise the importance of good corporate governance and have chosen to apply the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'). The QCA Code was developed by the QCA in consultation with several significant institutional small company investors, as an alternative corporate governance code applicable to AIM companies. The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the Company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term". The Directors anticipate that whilst the Company will continue to comply with the QCA Code, given the Group's size and plans, it will also endeavour to have regard to the provisions of the UK Corporate Governance Code as best practice guidance to the extent appropriate for a company of its size and nature. To see how the Company addresses the key governance principles defined in the QCA Code, please refer to the section on corporate governance on our website. The QCA Code was updated in 2023 and applies to companies with financial years beginning on or after 1 April 2024. The Company will report against the new QCA Code in 2025.

The Board

ATOME's business is international in scope and carries political, commercial, and technical risks. Accordingly, particular attention is paid to the composition and balance of the Board to ensure that it has wide experience of the sector and regulatory environment in which ATOME operates and appropriate financial and risk management skills. In each Board appointment, whether executive or non-executive, the Board considers that objectivity and integrity, as well as skills, experience and ability which will assist the Board in its key functions, are pre-requisites for appointment.

The Board consists of independent Non-Executive Directors, four Executive Directors and the Chairman, reflecting a blend of different experiences and backgrounds. Two Non-Executive Directors (being Richard Day and Mary-Rose de Valladares) are regarded as independent within the meaning of the QCA Corporate Governance Code and free from any relationship that could materially interfere with the exercise of their independent judgement. Richard Day is Deputy Chairman and the Senior Independent Director. The Chairman Peter Levine is also a significant shareholder and investor.

The Company will hold regular board meetings and the Directors will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. The Directors have established an audit committee, a nomination committee and a remuneration committee with formally delegated rules and responsibilities.

Audit Committee

The Audit Committee, chaired by Richard Day, with its other members comprising Mary-Rose de Valladares and Olivier Mussat, will meet not less than three times a year. Richard Day and Mary-Rose de Valladares are both independent and Olivier Mussat is deemed to have relevant financial experience. The committee will be primarily responsible for reviewing and overseeing the relationship with the external auditors, including making recommendations to the Board on the appointment of auditors and the audit fee and ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Company. The Audit Committee will also consider, manage and report on the risks associated with the Company as well as ensuring the Company's compliance with the AIM Rules and UK MAR concerning disclosure of inside information.

Nomination Committee

The Nomination Committee, co-chaired by Mary-Rose de Valladares with its other members comprising Peter Levine and Richard Day, will meet at least twice each year. This committee is responsible for reviewing the structure, size and composition of the Board based upon the skills, knowledge, diversity and experience required to ensure the Board operates effectively as well as being responsible for the annual evaluation of the performance of the Board and of individual directors. The Nomination Committee is expected to meet when necessary to do so. The

Nomination Committee also identifies and nominates suitable candidates to join the Board when vacancies arise and makes recommendations to the Board for the re-appointment of any Non-Executive Directors.

Remuneration Committee

The Remuneration Committee comprises Mary-Rose de Valladares (as chair) and Richard Day, both of whom are independent. The Remuneration Committee will review the performance of the executive Directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. Under its terms of reference, the Remuneration Committee is required to meet at least twice a year and is responsible for ensuring that the Company can recruit and retain Executive Directors, officers and other key employees who are fairly rewarded (which extends to all aspects of remuneration) for their individual contribution to the overall performance of the Group.

Share Dealing Code

With effect from Admission, the Company has operated its Share Dealing Code, which is compliant with Article 19 of UK MAR and Rule 21 of the AIM Rules for Companies. The Share Dealing Code will apply to any person discharging management responsibility, including the Directors and the senior management and any closely associated persons and applicable employees.

The Share Dealing Code imposes restrictions beyond those that are imposed by law (including by FSMA, UK MAR and other relevant legislation) and its purpose is to ensure that persons discharging managerial responsibility and persons closely associated with them do not abuse, and do not place themselves under suspicion of abusing, unpublished price-sensitive information that they may have or be thought to have, especially in periods leading up to an announcement of financial results. The Share Dealing Code sets out a notification procedure which is required to be followed prior to any dealing in the Company's securities.

Anti-Bribery and Corruption Policy

The Company has adopted an anti-bribery and corruption policy which applies to the Board and employees of the Group, and which sets out their responsibilities in observing and upholding a zero-tolerance position on bribery and corruption in all the jurisdictions in which the Group operates as well as providing guidance to those working for the Group on how to recognise and deal with bribery and corruption issues and the potential consequences.

The Audit Committee has primary responsibility for implementing the policy and in the absence of any material changes, the Audit Committee shall report to the Board annually. The Company expects all employees, agents or other person or body acting on the Company's behalf to conduct their business on the Company's behalf in compliance with the Company's policy. The prevention, detection and reporting of bribery is the responsibility of all employees throughout the Company. Employees are encouraged to raise concerns about any instance of malpractice at the earliest possible stage. Suitable channels of communication by which employees or others can report confidentially any suspicion of bribery will be maintained through the ability of employees to contact any member of the Board.

In addition, the Company operates anti-money laundering, and whistle-blowing policies to ensure it operates in an ethical and sustainable manner.

Environmental, Social, Regulatory and Governance Responsibility (ESG)

The Directors believe that a long-term sustainable business model is essential for discharging the Board's responsibility to promote the success of the Company, its employees, shareholders and other stakeholders of the business. In considering the Company's strategic plans, the Directors proactively consider the potential impact of its decisions on all stakeholders within its business, in additional to considering the broader environmental and social impact as well as the positive impact it can have within the local community the Company operates in.

The Company have established a formal corporate environmental, social, regulatory and governance responsibility (ESG) strategy and committee to monitor the implementation of ESG practices to ensure its business is conducted with a view of long-term sustainability for its customers, employees, communities, the environment as well as its shareholders.

The Company fully endorses the aims of the Modern Slavery Act 2015 and takes a zero-tolerance approach to slavery and human trafficking within the Company and supply chain.

Dividend Policy

The Group's focus is on bringing ATOME Paraguay and green fuel to commercial production. Until that happens and the Group becomes a revenue-generating business with distributable reserves, the

Corporate Governance Statement

continued

Board does not expect to be in a position to declare and pay dividends to Shareholders. Thereafter, a dividend policy will be adopted which takes into account the capital requirements of the Company, the Group's future strategy and available cash resources. Accordingly, the potential to pay dividends will be kept under review and consideration by the Board as the Company's Projects progress.

Share Option Schemes

The Directors recognise the role of the Company's staff in contributing to its overall success and the importance of the Company's ability to incentivise and motivate its employees. Therefore, the Directors believe that certain employees should be given the opportunity to participate and take a financial interest in the success of the Company.

On Admission, 1,825,000 Warrants over Ordinary Shares were granted to certain Directors and senior managers as further detailed in Note 19. A further 181,080 warrants were issued during 2023, with 125,000 warrants forfeited.

Relations with Shareholders

Communications with shareholders are given high priority by the Board. The Companies Act 2006 (the"Act") allows the Company to use its website to communicate with shareholders and so the Company makes documents and information available electronically on its website, including the following: Annual Report and Accounts, Interim Report and Notices of shareholders' meetings. Using electronic communications deliver significant savings to the Company in terms of administration, printing and postage costs, as well as speeding up the provision of information to shareholders. The reduced use of paper will also have environmental benefits. Having said that, such information is sent in hard copy to those shareholders that request it. The Group endeavours to maintain a regular dialogue with institutions and analysts particularly in relation to interim and full year results. Subject to Government guidance in relation to health and safety, the Board welcomes as many investors as possible to the Annual General Meeting and invites discussion on issues facing the Group. The Company maintains an up-to-date website, which complies with AIM Rule 26.

Internal Controls

The Board acknowledges its responsibility for the Group's system of internal control and for reviewing its effectiveness. The Group's system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group's system of internal control plays a critical role in managing the risks towards the achievement of ATOME's corporate vision and objectives and is also central to safeguarding ATOME's shareholders' interests and the Group's assets. An ongoing process has been established for identifying, evaluating and managing the significant risks faced by the Group. The Board has not identified nor been advised of any failings or weaknesses of the risk management or internal control systems which it has determined to be significant.

Health, Safety and Environmental (HSE)

ATOME has an HSE policy through which the Company is committed to maintaining high standards of health, safety and environmental performance across all its operations. ATOME is committed to the goals of:

- avoiding harm to all personnel involved in, or affected by, its operations;
- minimising the impact of its operations on the environment;
- complying with all the applicable legal and other requirements where it operates; and
- having a positive impact on people or communities directly affected by its activities and achieving continual improvement in its HSE performance.

Statement of Directors' Responsibilities

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 financial statements in accordance with UK adopted International Accounting Standards ("UK IASs") and applicable law. The Directors have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101"Reduced Disclosure Framework". Under company law the Directors must not approve the accounts 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 the parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 26 June 2024 and is signed on its behalf by:

Peter Levine
Chairman
26 June 2024

Independent Auditor's Report to the members of Atome PLC

Opinion

We have audited the financial statements of Atome plc (the"Parent Company") and its subsidiaries (the"Group") for the year ended 31 December 2023, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2023;
- the Group statement of financial position and Parent Company Balance sheet as at 31 December 2023;
- the Group and Parent Company statements of changes in equity for the year then ended;
- the Group statements of cash flows for the year then ended; and
- the notes to the financial statements, including 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 (UK IAS). The financial reporting framework that has been applied in 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 2023 and of the Group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with UK IAS;
- the Parent Company financial statements have been properly prepared on accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Group and the Parent 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.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements, which explains that the Group and Parent Company's ability to continue as a going concern is dependent on the availability of future further fundraising. These conditions indicate the existence of a material uncertainty which may cast significant doubt over the Parent Company's and the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' 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 Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtain cashflow forecast and agree it as a reasonable basis for assessing going concern, including reliability of the model.
- Reviewed costs and expenditure and assessed their reasonableness compared to budgets, contracts and prior year expenses.
- Considered the appropriateness of the sensitivities prepared by management in respect of potential cost increases.

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

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be US$188,000 (2022: US$145,000), based on approximately 2% of the total assets. Materiality for the Parent Company financial statements as a whole was set at US$181,000 (2022: US$120,000) at approximately 2% of the parent company's assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at $131,500 (2022: US$101,500) for the group and US$126,700 (2022: US$84,000) for the parent.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of US$9,500 (2022: US$7,250). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

There are two significant components in the group, parent company and Atome Paraguay S.A. We conducted the audit of both components from the U.K. The other subsidiaries were considered to be immaterial and were subject to targeted procedures along with analytical review procedures.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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.

In addition to the matter described in the material uncertainty related to going concern section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	How our scope addressed the key audit matter
Capitalisation and carrying value of intangible assets (Note 11 of the financial statements) The Group capitalised project development cost related to Front-End Engineering Design (FEED) Study and directly attributable to the development of the production facility design, totalling US$4.5 million, as intangible assets These costs are expected to be amortised over the expected useful life of 25 years, reflecting the useful life of the tangible production assets to be constructed applying the developed design.	We have agreed a sample of the capitalised expenses to supporting documents and ensured that they were of capital nature. We also reviewed post year end purchase invoices to ensure that all expenses of capital nature, occurred during the year, were correctly capitalised. We also reviewed the expenses charged to income statements to confirm whether they were of capital nature. We considered the indicators of impairment applicable to the Villeta project. The following work was undertaken: • We reviewed management's consideration of impairment indicators for intangible assets.

Key audit matter	How our scope addressed the key audit matter
Judgement is required in assessing the useful life of the asset and period in which the asset will start the operations. There is a risk that these assets may be impaired.	• We agreed the useful life of the Villeta project to the FEED Agreement. • We made specific enquiries of management and reviewed market announcements, budgets and plans which confirmed the plan to continue investment in the Villeta project subject to sufficient funding being available. • We considered whether the project economics and feasibility studies to date indicated any impairment of the carrying value of the Villeta project.

Other information

The directors are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our 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 light of the knowledge and understanding of the Group and the Parent Company and their 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 where 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 8, 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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were relevant company law and taxation legislation in the UK and Paraguay being the principal jurisdictions in which the Group operates.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.
- Owing to the inherent limitations of an audit, there is an avoidable risk that there may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standard. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.
- These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misinterpretations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Stallabrass
Senior Statutory Auditor
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
26 June 2024

Consolidated Statement of Comprehensive Income
Year ended 31 December 2023

	Note	2023 US$'000	2022 US$'000
Continuing Operations			
Administrative expenses	5	**(7,265)**	(5,830)
Other Income		**312**	62
Investment grant		**–**	170
Operating loss		(6,953)	(5,598)
Finance income		**54**	2
Finance costs		**(1)**	(2)
Loss before tax		(6,900)	(5,598)
Total income tax (charge)/credit	8	**–**	–
Loss for the year from continuing operations		**(6,900)**	(5,598)
Non-controlling interest	10	**78**	119
Loss for the year attributable to equity holders		**(6,822)**	(5,479)
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**239**	(387)
Total comprehensive loss for the year attributable to the equity holders of the parent		**(6,583)**	(5,866)
Loss per share	9	US cents	US cents
Basic loss per share from continuing operations		**(17.63)**	(16.80)
Diluted loss per share from continuing operations		**(17.63)**	(16.80)

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position As at 31 December 2023

	Note	2023 US$'000	2022 US$'000
ASSETS			
Non-current assets			
Intangible assets	11	**4,512**	–
Goodwill		**2**	6
Property, plant and equipment	12	**1,217**	939
		5,731	945
Current assets			
Trade and other receivables	13	**1,325**	2,223
Cash and cash equivalents	14	**550**	3,452
		1,875	5,675
TOTAL ASSETS		**7,606**	6,620
LIABILITIES			
Current liabilities			
Trade and other payables	15	**2,852**	1,649
		2,852	1,649
Non-current liabilities			
Trade and other payables	16	**28**	–
Long-term debt	17	**810**	–
		838	–
TOTAL LIABILITIES		**3,690**	1,649
EQUITY			
Share capital	18	**109**	96
Share premium		**16,881**	11,901
Retained earnings		**(14,544)**	(7,722)
Translation reserve		**(92)**	(331)
Share option reserve		**1,759**	1,146
		4,113	5,090
Non-controlling interest	10	**(197)**	(119)
TOTAL EQUITY		**3,916**	4,971
TOTAL EQUITY AND LIABILITIES		**7,606**	6,620

These consolidated financial statements for ATOME PLC (company number 13691713) were approved by the Board of Directors and authorised for issue on 26 June 2024. They were signed on their behalf by:

Peter Levine
Chairman

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity Year ended 31 December 2023

	Share capital & premium US$'000	Profit and loss account US$'000	Other Reserves US$'000	Total US$'000	Non-controlling Interest US$'000	Total Equity US$'000
Balance at 1 January 2022	7,740	(2,243)	139	5,636	–	5,636
Share-based payments	–	–	1,063	1,063	–	1,063
Shares issued on reorganisation	4,394			4,394		4,394
Offer of shares to public	–	–	–	–	–	–
Costs of issue new shares	(137)	–	–	(137)	–	(137)
Transactions with the owners	4,257	–	1,063	5,320	–	5,320
Loss for the year	–	(5,479)	–	(5,479)	(119)	(5,598)
Translation reserve	–	–	(387)	(387)		(387)
Total comprehensive loss for the year	–	(5,479)	(387)	(5,866)	(119)	(5,985)
Balance at 31 December 2022	11,997	(7,722)	815	5,090	(119)	4,971
Share-based payments	**–**	**–**	**613**	**613**	**–**	**613**
Offer of shares to public	**5,088**	**–**	**–**	**5,088**	**–**	**5,088**
Costs of issue new shares	**(95)**	**–**	**–**	**(95)**	**–**	**(95)**
Transactions with the owners	**4,993**	**–**	**613**	**5,606**	**–**	**5,606**
Loss for the year	**–**	**(6,822)**	**–**	**(6,822)**	**(78)**	**(6,900)**
Translation reserve	**–**	**–**	**239**	**239**		**239**
Total comprehensive loss for the year	**–**	**(6,822)**	**239**	**(6,583)**	**(78)**	**(6,661)**
Balance at 31 December 2023	**16,990**	**(14,544)**	**1,667**	**4,113**	**(197)**	**3,916**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows
Year ended 31 December 2023

	2023 US$'000	2022 US$'000
Cash flows from operating activities		
Cash used in operating activities (note 20)	**(4,974)**	(6,152)
	(4,974)	(6,152)
Cash flows from investing activities		
Expenditure on development and production assets	**(4,767)**	–
Interest received	**54**	–
	(4,713)	–
Cash flows from financing activities		
Long-term loan proceeds	**810**	–
Proceeds from issue of shares (net of expenses)	**4,408**	7,965
Payment in kind for shares placed	**1,197**	–
Repayment of obligations under leases	**(22)**	(26)
	6,393	7,939
Net (decrease)/increase in cash and cash equivalents	**(3,294)**	1,787
Opening cash and cash equivalents at beginning of period	**3,452**	1,865
Exchange gains/(losses) on cash and cash equivalents	**392**	(200)
Closing cash and cash equivalents	**550**	3,452

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Accounts

1. General information

Corporate status

ATOME PLC is a public company limited by shares and incorporated in England in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 52. The nature of the Group's operations and its principal activities are set out in Note 4 and in the Strategic Report on pages 4 to 8. The Company is quoted on the AIM market of the London Stock Exchange (ticker: ATOM), and is headquartered in Leeds, UK, with an office in Asunción, Paraguay. Details on all subsidiaries of the group are provided in Note 4 in the Company accounts.

Presentation currency

The presentation currency is the United States (US) Dollar as are all the Group's budgeting, cost management and future trading are in US Dollars.

The functional currency of each entity in the Group is determined according to the indicators of the circumstances arising for each entity and is normally the currency of the primary environment in which it operates. Consequently, the functional currency for the entity statutory financial statements for ATOME PLC and Atome Fertiliser Limited is GBP sterling, for ATOME Paraguay SA in Paraguayan Guarani and for Green Fuel ehf in Icelandic Krona.

The Group's accounting policy on foreign currencies is detailed in Note 2g).

2. Significant accounting policies

a) Basis of preparation

The principal accounting policies adopted in the preparation of the consolidated financial statements as set out further in this Note 2 have been consistently applied to all the years presented, unless otherwise stated.

These consolidated financial statements are presented in US dollar.

Amounts are rounded to the nearest thousand, unless otherwise stated.

These financial statements have been prepared in accordance with the UK adopted International Accounting Standards (UK IAS) as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs).

The preparation of financial statements in compliance with adopted UK IAS requires the use of certain critical accounting estimates.

It also requires Group management to exercise judgment in applying the Group's accounting policies.

The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in Note 3.

b) Basis of accounting

The preparation of financial statements in conformity with UK IAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses as further described in Note 3.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

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.

2. Significant accounting policies (continued)

c) Basis of consolidation

The Group's consolidated financial statements include the results of the Company and all its subsidiary undertakings. A subsidiary is an entity controlled, directly or indirectly, by the Group. Control is the power to govern the financial and operating policies of the entity to obtain benefits from its activities. The financial statements of subsidiaries are included in the Group financial statements from the date that control commences until the date that control ceases. There are no unrealised gains and losses or income and expenses arising from intra Group transactions. Intra Group balances are eliminated in preparing the consolidated financial statements.

As at 31 December 2023, ATOME PLC controlled indirectly 75% of the share capital of Green Fuel ehf with the balance held by third party minority interests. As the parent entity, ATOME PLC consolidated 100% of the financial results of the subsidiary, with the non-controlling interest share recognised separately in the financial statements. The non-controlling interests arising in its consolidated statement of financial position is shown separately within equity and the profit or loss attributable to the non-controlling interest shown on the Statement of Comprehensive Income.

There are no new or revised standards which are applicable for the reporting periods and have a material impact upon the recognition, measurement or disclosures in these financial statements.

d) Going concern

The Group's consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Directors have undertaken a review of the Group's working capital requirements considering the funds available from past share placings and additional support commitments from the major shareholders of the Company.

The cash balance as at 31 December 2023 was US$0.6 million (2022: US$3.5 million), with US$0.9 million (2022: US$1.6 million) receivable for shares issued under the previously completed share placings.

In February and March 2024, the Group has raised additional funding through a share placing to further the development of the Group's activities (see note 25).

The Directors continue to monitor cash forecasts closely and apply sensitivity analyses to manage liquidity risk effectively. Cash flow forecasts incorporate the projected settlement of the net current liabilities related to investment activity as detailed in the Strategic Report. In arriving at their view on going concern, reasonable downside sensitivities are considered under which scenarios the Group can elect not to proceed with discretionary expenditure to mitigate risks accordingly. Further details of the Group's commitments are set out in Note 22.

Further funding will continue to be required from shareholders, lenders or otherwise for the Company to achieve success in project financing for Villeta Project to continue its operations with the desired project outcome of cash generative production in 2027, which indicates the existence of material uncertainty over the Group's and the Company's ability to continue as a going concern.

Additional funds may be made available to the Group in the form of the commitment based on the support letter ("the Facility") provided by Peter Levine through one of his entities. The terms thereof provide inter alia for a facility of up to £4 million for a period up to 30 September 2025 to support working capital needs.

The Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Significant accounting policies (continued)

e) Intangible Assets

Costs directly attributable to the development the production facility design are capitalised as intangible assets when technical feasibility of the project is demonstrated, the Group has an intention and ability to complete and use the assets and the costs can be measured reliably. Such costs include front-end engineering and design and related contract costs incurred to develop and manage the preparation of the design documentation.

These costs will be amortised over the expected useful life of 25 years, reflecting the useful life of the tangible production assets to be constructed applying the developed design.

f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment in value. The Group recognises in the carrying amount of property, plant and equipment the subsequent costs of replacing part of such items when they are expected to generate future economic benefits and such costs can be reliably determined. The carrying value of a part is derecognised when it is replaced. All other costs are recognised in the statement of comprehensive income as an expense as they are incurred.

Depreciation is charged on a straight-line basis to write off the cost, less the estimated residual value, of property, plant and equipment over their estimated useful lives. Where parts of an item of plant and equipment have separate lives, they are accounted for and depreciated as separate items.

Policies with respect to Right of Use assets are detailed below under Leases.

g) Foreign currencies

Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which an entity primarily generates and expends cash. The Parent Company's functional currency is GBP Sterling. The Directors have determined that the presentational currency is US Dollars as all the Group's budgeting, cost management and future trading are in US Dollars.

Exchange on foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. All exchange differences on transactions in currencies other than the individual entity's functional currency are recognised as profit or loss in the year in which they are incurred. Monetary assets and liabilities that are denominated in foreign currencies at the reporting date are translated at the exchange rate ruling at that date with any exchange differences arising on retranslation being recognised as profit or loss in the statement of comprehensive income.

Translation of Group companies

The results and financial position of all the Group entities that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in a separate reserve in equity. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity as an item of other comprehensive income or expense. When a foreign operation is disposed of or sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

2. Significant accounting policies (continued)

h) Financial instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less.

Trade payables and other creditors

Trade payables and other creditors are not interest bearing are initially recognised at fair value net of transaction costs and subsequently measured at amortised cost under the effective interest method.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Equity instruments issued by the Company are recorded as the proceeds received, net of direct issue costs, allocated between share capital and share premium.

Accounting for financial assets

Financial assets are divided into loans and receivables.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant for the way it is measured and whether any resulting income and expenditure are recognised in the statement of comprehensive income. See Note 23(e) for a summary of the Group's financial assets by category.

All income and expenses relating to financial assets are recognised in the Statement of Comprehensive Income.

Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At initial recognition these are measured at fair value plus transaction costs, less provision for impairment, and thereafter at amortised cost under the effective interest rate method. All finance costs under the effective interest rate method are recognised in the Statement of Comprehensive Income.

i) Income taxes

Tax expense recognised in the statement of comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income.

2. Significant accounting policies (continued)

i) Income taxes (continued)

Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided that they are enacted or substantively enacted at the reporting date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except where they relate to items that are charged or credited directly to equity (such as the revaluation of land) in which case the related deferred tax is also charged or credited directly to equity.

j) Share-based payments

The Group has applied the requirements of IFRS 2 Share-based Payment. All share-based awards of the Group are equity settled as defined by IFRS 2. The fair value of these awards has been determined at the date of grant of the award. Although the fair value does not change, the level of awards may be adjusted annually by the Group's estimate of the number of awards that will eventually vest as a result of non-market conditions, is expensed uniformly over the vesting period.

The fair value of options/warrants are calculated using a Black-Scholes option pricing model. Where market related conditions exist, a Monte Carlo model would be applied to assess the probability that the condition would be met. Further details are in Note 19.

k) Leases

On inception of a contract, the Group assesses whether the contract is, or contains, a lease. A lease is recognised if the contract conveys the right to control and use an identified asset for a period of time in exchange for consideration. To make the determination the Group assess whether it has the right to obtain all of the economic benefits from the use of the asset throughout the period of use, and whether the Group has the right to direct the use of the asset.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs required to remove or restore the underlying asset. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The initial measurement of the corresponding lease liability is at the present value of the lease payments at the lease commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. Over the course of a lease contract, there will be taxable timing differences that could give rise to deferred tax, subject to local tax laws and regulations.

l) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose results are regularly reviewed by the chief operating decision makers. The Group operates in one product segment which is, the development, production and the sale of green fuel energy and related activities. Segment information is presented in accordance with IFRS 8 for all periods presented.

m) Grant Income

All grant income is recognised on receipt of payment, after all conditions precedent to receipt of the grant have been satisfactorily completed.

3. Critical accounting judgements and key sources of estimation uncertainty

In order to prepare the consolidated financial statements in conformity with UK IAS, management of the Group have to make estimates and judgements. The matter described below is considered to be the most important in understanding the judgements that are involved in preparing these financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial condition and cash flows. Group accounting policies are described in Note 2.

Critical accounting judgement

In applying the Group's accounting policies as detailed in Note 2 the directors have judged that the going concern basis as detailed above is appropriate for the group.

Key sources of estimation uncertainty

There are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, included assessment of the criteria for capitalisation and carrying value of the development cost to its Villeta project.

The Company took a decision to capitalise front-end engineering and design costs incurred to develop the production facility design totalling $4.5 million as intangible assets, with further $252 thousand related specifically to Villeta site capitalised as part of the assets under construction.

As at 31 December 2023, the Company is certain that the project is technically and economically feasible, will be financed and will achieve commercial production in 2027, therefore no impairment indicators exist.

4. Segment reporting

In the opinion of the Directors, the operations of ATOME PLC comprise one class of business, the development, production and the sale of green fuel energy and related activities.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose results are regularly reviewed by the Board of Directors.

The Board of Directors reviews operating results by reference to the core principle of geographic location. As at 31 December 2023, the Group had projects in two geographical markets: Paraguay and Iceland. It has a head office and associated corporate expenses in the UK.

	Iceland 2023 US$'000	**Paraguay 2023 US$'000**	**UK 2023 US$'000**	**Total 2023 US$'000**
Administrative expenses	**314**	**369**	**6,582**	**7,265**
Other Income	**–**	**–**	**(312)**	**(312)**
Investment grant	**–**	**–**	**–**	**–**
Segment costs	**314**	**369**	**6,270**	**6,953**
Segment operating profit/(loss) for the Year Ended 31 December 2023	**(314)**	**(369)**	**(6,270)**	**(6,953)**

	Iceland 2022 US$'000	**Paraguay 2022 US$'000**	**UK 2022 US$'000**	**Total 2022 US$'000**
Administrative expenses	614	299	4,917	5,830
Other Income	–	–	(62)	(62)
Investment grant	(170)	–	–	(170)
Segment costs	444	299	4,855	5,598
Segment operating profit/(loss) for the Year Ended 31 December 2022	(444)	(299)	(4,855)	(5,598)

4. Segment reporting (continued)

Segment assets

	Iceland 2023 US$'000	Paraguay 2023 US$'000	UK 2023 US$'000	Total 2023 US$'000
Intangible assets	**–**	**–**	**4,512**	**4,512**
Goodwill	**–**	**2**		**2**
Property, plant and equipment	**–**	**1,217**	**–**	**1,217**
	–	**1,219**	**4,512**	**5,731**
Other assets	**–**	**101**	**1,224**	**1,325**
Total assets as at 31 December 2023	**–**	**1,320**	**5,736**	**7,056**

	Iceland 2022 US$'000	Paraguay 2022 US$'000	UK 2022 US$'000	Total 2022 US$'000
Goodwill	3	3	–	6
Property, plant and equipment	–	939	–	939
	3	942	–	945
Other assets	–	44	2,179	2,223
Total assets as at 31 December 2022	3	986	2,179	3,168

Segment liabilities

	Iceland 2023 US$'000	Paraguay 2023 US$'000	UK 2023 US$'000	Total 2023 US$'000
Total liabilities as at 31 December 2023	**11**	**901**	**2,778**	**3,690**

	Iceland 2022 US$'000	Paraguay 2022 US$'000	UK 2022 US$'000	Total 2022 US$'000
Total liabilities as at 31 December 2022	51	866	732	1,649

Reconciliation of the amounts reported for segment assets to the Group's consolidated statement of financial position is as follows:

Segment assets can be reconciled to the Group as follows

	2023 US$'000	2022 US$'000
Segment assets	**7,056**	3,168
Group cash	**550**	3,452
Group assets as at 31 December 2023	**7,606**	6,620

5. Administrative expenses

	2023 US$'000	2022 US$'000
Directors and staff costs (including non-executive Directors)	**3,457**	2,946
Cost of issue for existing shares	**95**	164
Share-based payments	**613**	1,063
Depreciation	**31**	24
Other	**3,069**	1,633
	7,265	5,830

6. Loss before tax

	2023 US$'000	2022 US$'000
Profit/(loss) before tax has been arrived at after charging:		
Depreciation of property, plant and equipment (note 16)	**31**	24
Impairment of goodwill	**4**	–
Staff costs in administrative expenses (note 5)	**3,457**	2,946
Rentals payable in respect of land and buildings	**130**	71
Auditor's remuneration		
Fees payable to the Company's auditor for the audit of the annual accounts	**43**	40
Tax advisory services	**11**	–
	54	40

7. Staff costs

	2023 Number	2022 Number
Average monthly number of employees		
(including executive Directors and Chairman		
but excluding non-executive Directors)		
Management	**7**	6
Administration	**2**	2
	9	8

	2023 US$'000	2022 US$'000
Wages, salaries and Directors' fees		
(including Chairman and excluding non-executive Directors)	**2,951**	1,858
Expense in respect of share-based payments	**613**	1,063
Social security costs	**304**	187
	3,868	3,108

7. Staff costs (continued)

Included in the above is the remuneration earned by directors of the company acting in such capacity during the financial year. There were no pension contributions paid to any director in the year. Further details of the Directors' remuneration are provided in the Director's Report.

	2023 US$'000	2022 US$'000
Emoluments paid in respect of the highest paid Director in the year (excluding share-based payment charge)	**778**	588

8. Tax

	2023 US$'000	2022 US$'000
Current tax credit /(charge)	**–**	–
Deferred tax	**–**	–
	–	–

The tax credit for the year can be reconciled to the Statement of Comprehensive Income as follows:

	2023 US$'000	2022 US$'000
Loss on ordinary activities before taxation	**(6,900)**	(5,598)
Tax at 23.5% (2022: 19%)	**1,621**	1,064
Deferred tax brought forward but not recognised	**857**	–
Deferred tax carried forward but not recognised	**(2,445)**	(857)
Expenses not deductible for tax purposes	**(153)**	(202)
Difference between Iceland, Paraguay and UK tax rates	**120**	(5)
Tax as per statement of comprehensive income	**–**	–

Tax losses carried forward but not recognised are as follows:

	2023 US$'000	2022 US$'000
UK	**9,228**	3,841
Paraguay	**702**	332
Iceland	**785**	471
	10,716	4,644

Tax losses in Paraguay have a useful life of 5 years before lapsing. The validity period of tax losses carried forward and their expiration are as follows:

Year Ending	Loss carried forward US$'000	Expiration
2021	8	2026
2022	324	2027
2023	370	2028

9. Loss per share

	2023 US$'000	2022 US$'000
Loss for the period attributable to the equity holders of the Parent Company	**(6,822)**	(5,479)

	Number '000	Number '000
Weighted average number of shares in issue	**38,685**	32,606

	US cents	US cents
Loss per share		
Loss per share from continuing operations	**(17.63)**	(16.80)
Diluted loss per share from continuing operations	**(17.63)**	(16.80)

At 31 December 2023, 2,185,000 (2022: 2,129,000) share options and share warrant awards were in issue that, if exercised, would dilute earnings per share in the future. No dilution per share was calculated as with the reported loss adding share options and warrants is anti-dilutive.

10. Non-controlling interests

As at 31 December 2023, Group controlled 75% of its Icelandic subsidiary, Green Fuel ehf, and consolidated its financial results in the Consolidated Statement of Comprehensive Income and Consolidated statement of Financial Position.

Set out below is summarised financial information for Green Fuel ehf. The amounts disclosed are before inter-company eliminations.

	2023 US$'000	2022 US$'000
Current assets	**1**	5
Current liabilities	**(789)**	(490)
Current net assets	**(788)**	(485)
Net assets	**(788)**	(485)
Accumulated NCI	**(197)**	(119)

	2023 US$'000	2022 US$'000
Other income	**–**	170
Loss for the period	**(315)**	(472)
Other comprehensive income	**1**	(3)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**6**	(14)
Total comprehensive income	**(308)**	(489)
Loss allocated to NCI	**(78)**	(119)

	2023 US$'000	2022 US$'000
Cash flows from operating activities	**(347)**	(443)
Cash flows from financing activities	**339**	439
Net increase/(decrease) in cash and cash equivalents	**(8)**	(4)

11. Intangible Assets

Intangible assets comprise the costs incurred for engineering and related services for the development of green fertiliser production facility design.

Cost	US$'000
At 1 January 2023	**–**
Additions	**4,512**
At 31 December 2023	**4,512**
Amortisation	
At 1 January 2023	**–**
Charge for the year	**–**
At 31 December 2023	**–**
Net Book Value at 31 December 2023	**4,512**

12. Property, plant and equipment

Cost	Land US$'000	Leased assets US$'000	Other assets US$'000	Total US$'000
At 1 January 2023	**918**	**47**	**–**	**965**
Additions	**–**	**56**	**253**	**309**
At 31 December 2023	**918**	**103**	**253**	**1,274**
Depreciation				
At 1 January 2023	**–**	**26**	**–**	**26**
Charge for the year	**7**	**24**	**–**	**31**
At 31 December 2023	**7**	**50**	**–**	**57**
Net Book Value at 31 December 2023	**911**	**53**	**253**	**1,217**
Cost				
At 1 January 2022	–	47	–	47
Additions	918	–	–	918
At 31 December 2022	918	47	–	965
Depreciation				
At 1 January 2022	–	2	–	2
Charge for the year	–	24	–	24
At 31 December 2022	–	26	–	26
Net Book Value at 31 December 2022	918	21	–	939

Leased assets comprise an office lease in Paraguay.

Land comprises the site acquired in 2022 for the Villeta project in Paraguay, and is pledged as security under the long term loan.

13. Trade and other receivables

	2023 US$'000	2022 US$'000
Outstanding on share issue/fundraise	**906**	1,601
Other receivables	**338**	268
Prepayments	**81**	354
	1,325	2,223

14. Cash and cash equivalents

	2023 US$'000	2022 US$'000
Cash at bank and in hand	**550**	3,452

15. Trade and other payables

	2023 US$'000	2022 US$'000
Current		
Other payables	**2,826**	1,543
Costs of issue for new and existing shares outstanding	**–**	84
Current portion of leases	**26**	22
	2,852	1,649
Non-current		
Non-current portion of leases	**28**	–
Non-current portion of other payables	**–**	–
	28	–

16. Leases

	2023 US$'000	2022 US$'000
i) Amounts recognised in the balance sheet		
Right-of-use assets (included within Property, plant and equipment)		
Property leases	**53**	**21**
	53	**21**
Lease liabilities		
Property leases	**54**	22
	54	22
Current	**26**	22
Non-current	**28**	0
	54	22
ii) Amounts recognised in the statement of comprehensive income		
Property leases:		
Depreciation charge of right-of-use assets	**31**	24
Interest expense on lease liabilities (included in finance cost)	**1**	2
	32	26

The cash out flow for leases amounted to US$22 thousand in 2023 (2022: US$26 thousand).

17. Long-term debt

	2023 US$'000	2022 US$'000
Bank loans	**810**	–
	810	–

The loan is secured by the value of the land in Paraguay acquired in 2022 for Villeta project, with no recourse to Group's other assets and entities.

18. Share capital

	2023 '000s	2022 '000s
Issued - allotted, called up and paid		
Ordinary shares of par value £0.002 (US$0.003)	**40,323**	36,021
Balance at beginning of year	**36,021**	32,500
Shares issued	**4,302**	3,521
Balance at end of year	**40,323**	36,021

	US$'000	US$'000
Ordinary shares of par value £0.002 (US$0.003)	**109**	96
	109	96
The issued share capital is reconciled as follows		
Balance at beginning of year	**96**	87
Shares issued	**13**	9
Balance at end of year	**109**	96

19. Share-based payments

Share options and warrants outstanding at the respective reporting dates are as follows:

	Note	Grant date	Target Price	31 Dec 2022	Granted in year	Exercised in year	Forfeited / lapsed in year	31 Dec 2023	Exercise	Fair value
Options/Warrants				'000	'000	'000	'000	'000	p/share	p/share
Olivier Mussat	a	30 Dec 21	80p	1,103		–	–	**1,103**	0.002	80.000
Nikita Levine	a	30 Dec 21	80p	125		–	–	**125**	0.002	80.000
James Spalding	a	30 Dec 21	80p	230		–	–	**230**	0.002	80.000
Senior employees	a	30 Dec 21	80p	405	**181**	–	–	**586**	0.002	80.000
Suppliers	b	30 Dec 21	80p	266		–	**125**	**141**	80.00	23.000
				2,129	**181**	–	**125**	**2,185**		

Note:

a) Options/warrants granted to directors and staff at nil cost vest in equal tranches subject to continued employment over 12, 24 and 36 months from the date of grant and the share price at the time of exercise being above 80p per share. The option/warrants are exercisable within three years from the date the employment condition is satisfied. These options have been valued using a Black Scholes model as detailed below.

19. Share-based payments (continued)

b) Options granted to suppliers have vested and have no conditions. These are exercisable for two years from the date of admission at 80p per share. These options have been valued using a Black Scholes model as detailed below and the likelihood that the market related condition being met assessed using a Monte Carlo model.

The weighted average remaining contractual life of the options/warrants is 147 days from 31 December 2023 (380 days from 31 December 2022).

The inputs into the Black-Scholes model for the options granted in the year are as follows:

	2023	2022
Weighted average exercise price	**80p**	80p
Expected volatility	**50%**	50%
Expected life	**1 years**	1 years
Risk-free rate	**5.25%**	1%

Expected volatility was determined by calculating the volatility of the Group's share price over a period post admission of the shares to AIM. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

20. Notes to the consolidated statement of cash flows

	2023 US$'000	2022 US$'000
Operating loss	**(6,953)**	(5,598)
Interest on bank deposits	**1**	2
Depreciation of property, plant and equipment	**31**	24
Amortisation and impairment of Goodwill	**4**	–
Foreign exchange difference	**(155)**	(203)
Share-based payments	**613**	1,063
Operating cash outflow before movements in working capital	**(6,459)**	(4,712)
Decrease / (increase) in receivables	**202**	(394)
Increase / (decrease) in short term facility	**–**	(1,415)
Increase in payables	**1,283**	369
Net cash used in operating activities	**(4,974)**	(6,152)

21. Contingent liabilities

There are no contingent liabilities as at 31 December 2023 or 31 December 2022.

22. Capital commitments

Outstanding contractual commitments in relation to the Group's projects totalled US$3,079 thousand as at 31 December 2023 (2022: US$2,829 thousand).

23. Risk management objectives and policies

a) Overview

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities. The Group's risk management is co-ordinated at its Leeds, UK headquarters, in close co-operation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

To date, the Group has financed its operations from equity issues in Pounds sterling and loans denominated in Pounds.

The Group uses financial instruments (other than derivatives) comprising cash, liquid resources and various items, such as debtors and trade creditors that arise directly from its operations. The Group has not recently entered into any derivative transactions. In the normal course of its operations and through its financial instruments the Group is exposed to foreign currency risk.

b) Foreign currency risk and sensitivity

With the exception of Group overheads arising in the UK, most of the Group's transactions are carried out in US Dollars. The financial statements are presented in US Dollars as much of the Group's business is conducted in US Dollars. The Company raises equity funds in Pounds sterling and converts to US dollars as required. A balance of funds is retained in Pounds sterling to meet future Group overheads.

At the year end the Group held the following cash and cash equivalent balances.

	2023 US$'000	2022 US$'000
US Dollars	**1**	165
Sterling	**510**	3,246
Euro	**0**	0
Icelandic Krona	**1**	5
Paraguayan Guarani	**38**	36
	550	3,452

The Group is primarily exposed to changes in US$/Pound sterling exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from Pound sterling-denominated cash balances.

Based upon the balances as at 31 December 2023, if the exchange rate between the US Dollar and Sterling changed by 10% there would be a profit or loss of US$51 thousand.

c) Credit risk

The Group's main receivable is the funds due from the share raise late in December 2022 and May 2023. With the balances due concentrated in established investors, the risk is considered low. The remaining receivable balances represent sundry debtors from operating activities. The credit risk for cash and cash equivalents is considered negligible as the Group's policy is to deposit its cash with banks that have A/A+ international credit ratings. The Group's exposure to credit risk is limited to the carrying amount of other financial assets recognised at the balance sheet date, as summarised below:

	2023 US$'000	2022 US$'000
Outstanding on share issue/fundraise	**906**	1,601
Other receivables	**120**	268
Prepayments	**85**	354
Cash and cash equivalents	**550**	3,452
	1,657	5,675

23. Risk management objectives and policies (continued)

d) Liquidity risk analysis

The Group manages its liquidity needs by carefully monitoring its cash inflows and outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a week-to-week basis, as well as based on a rolling monthly projection. Long-term liquidity needs for a half year and an annual lookout period are identified monthly. The Group aims to maintain cash to meet its liquidity requirements for up to 60-day periods. The Group's financial liabilities, all of which, with exception of leases, are non-interest-bearing, have contractual maturities which are summarised as follows:

	2023		2022	
	<6 months US$'000	7-12 months US$'000	<6 months US$'000	7-12 months US$'000
Cost of issue outstanding	**–**		84	
Current portion of leases	**12**	**14**	11	11
Other payables	**2,826**	**–**	1,543	–
	2,838	**14**	1,638	11

e) Summary of financial assets and liabilities by category

The fair value of financial assets and liabilities approximates their carrying value due to their short-term nature. As of 31 December 2023, the fair value of long-term debt was US$841 thousand (2022: Nil).

The difference between fair value and carrying value is due to fixed rate nature of the obligations that may be different from the variable rate US Dollar treasury bond yields and therefore, from time to time, above or below the market.

The fair value of the long-term debt was calculated based on estimated rates for the similar instruments adjusted for the known factors such as country risk margins and liquidity risk margins, resulting in Level 2 inputs in the fair value hierarchy. Market risk associated with our fixed rate debt may be the potential inability to benefit from the market interest rate decrease. The calculation of the fair value of our long-term debt is considered a level 2 input.

	2023 US$'000	2022 US$'000
Current financial assets at amortised cost		
Accounts receivable	**906**	1,601
Cash and cash equivalents	**550**	3,452
	1,456	5,053

	2023 US$'000	2022 US$'000
Current financial liabilities measured at amortised cost		
Other payables	**2,826**	1,543
Costs of issue outstanding	**–**	84
Current portion of leases	**26**	22
	2,852	1,649

	2023 US$'000	2022 US$'000
Non-current financial liabilities measured at amortised cost		
Long-term debt	**810**	–
	810	–

24. Managing capital

The Group's objectives when managing capital (debt and equity finance) are:

- to safeguard the Company's ability to continue as a going concern, provide returns for shareholders and benefits for other stakeholders;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and
- to fund the Group with equity in the long term and using debt where applicable to fund the development of the business.

The Group sets the amount of capital in proportion to risk and its plans for growth. The Group manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The amounts managed as capital by the Group for the reporting period are summarised as follows:

	2023 US$'000	2022 US$'000
Share capital and share premium	**16,990**	11,997
Long-term debt	**810**	–
	17,800	11,997

25. Subsequent events

In February and March 2024, the Company issued 4,600,000 new ordinary shares ("Subscription Shares") at a price of £0.50 per share, with proceeds totalling US$2.9 million, of which $0.4 million was offset against amounts payable to directors and employees, resulting in net proceeds of US$2.5 million.

On 31 January 2024 the name of the company changed from ATOME ENERGY PLC to ATOME PLC.

In January 2024, following the strategic business review and substantive deterioration in the project prospects, the shareholders of Green Fuel ehf. decided to wind down the company. Green Fuel ehf. was formally dissolved on 3rd April 2024. All assets and liabilities relating to Green Fuel ehf. have been transferred to Atome PLC's wholly owned subsidiary Atome Iceland Limited.

On 26 June 2024, Peter Levine provided a letter of comfort confirming the ability to provide personally or through one of his investment vehicles a facility of up to £4 million for a period up to 30 September 2025 to support the Company's working capital needs.

The Facility is unsecured and will be repayable on the earlier of a future fundraise by the Company of at least £4 million, in which Peter Levine will have the right to participate to maintain his current interest in the Company, or when FID is declared on the Villeta Project. The Facility bears an interest rate of SOFR plus 4% on drawn amounts, a commitment fee of 1% on undrawn amounts and an initial facility fee of 2.5%, all of which can be settled in shares.

26. Transactions with Directors and other related parties

Molecular Energies Ltd and FIIP Loan

Peter Levine is Chairman and majority shareholder and provides loans to Molecular Energies Ltd, a related party. Pursuant to agreements dated 8 December 2021 the Group has acknowledged debt from Molecular Energies Ltd the founder of the Company and from Fondo de Inversion en Innovacion de Paraguay S.A. ("FIIP") (FIIP is an investment fund in Paraguay controlled by Peter Levine), which included expenditure incurred by Molecular on ATOME's behalf, and to provide a short-term facility until the completion of the fund raise. These loans were settled in 2022.

Relationship Agreements

On 17 December 2021, each of Peter Levine and Molecular Energies PLC (the"Relationship Shareholders") entered into the Relationship Agreements with the Company and Beaumont Cornish. The principal purpose of the Relationship Agreements is to ensure that the Company is capable at all times of carrying on its business independently of the Relationship Shareholders. The Relationship Agreements take effect from Admission and continue for so long as (1) the Ordinary Shares are admitted to trading on AIM and (2) the Relationship Shareholders and their connected persons and group companies are interested in voting rights representing, in aggregate, 20 per cent. or more of total voting rights attaching to the Ordinary Shares.

The Relationship Agreement with Peter Levine will also expire if he is interested, together with his associates, in voting rights representing less than 30 per cent. of the total voting rights following the second anniversary of Admission. Under the Relationship Agreement, each Relationship Shareholder has agreed that it shall and to procure that his associates shall, inter alia:

(a) conduct all transactions, and arrangements with the Company on an arm's length basis and on normal commercial terms;

(b) not take any action that would have the effect of preventing the Company from complying with its obligations under the AIM Rules for Companies or other applicable law.

Service agreement

On 17 December 2021 the Company entered into an agreement with Molecular Energies PLC whereby Molecular Energies PLC agreed to provide to the Company management and director support, technical, logistical and commercial support in respect of operational planning and support regarding hydrogen and ammonia production, and accounting and audit support. Molecular Energies PLC shall charge a fee based on time spent and a fee for financial system support, both subject to a mark-up of 10 per cent on all service charges.

Company secretarial support agreement

On 17 December 2021, the Company entered into a company secretarial support agreement with PLLG Investments Limited, a company whose ultimate beneficial shareholder is Peter Levine, to provide the services of Peter Levine in connection with ongoing professional support services and assistance in consideration for an annual charge of £37,500. The Company may terminate the agreement at any time by giving written notice.

The transactions with related parties are as follows:

	2023 US$'000	2022 US$'000
Purchase of various services from entities controlled by key management personnel	**77**	118
National Ammonia Corporation S.A.	**42**	–
	119	118

On the 2nd of February 2023, the Company entered into a Joint Venture agreement with Cavendish, the renewable energy arm of Grupo Purdy S.A., one of the largest corporations in Costa Rica. ATOME and Cavendish established a new enterprise, National Ammonia Corporation S.A. owned equally with Cavendish and headquartered in San Jose. During the year, ATOME provided $42,000 towards set up costs of the new enterprise as per the Joint Venture Agreement with Cavendish.

26. Transactions with Directors and other related parties (continued)

Outstanding balance arising from sale/purchase of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2023 US$'000	2022 US$'000
Molecular Energies Ltd	**122**	126

The following balances are outstanding at the end of the reporting period in relation to transactions with the directors:

	2023 US$'000	2022 US$'000
P Levine	**267**	885
O Mussat	**147**	422
J Spalding	**–**	60
N Levine	**–**	30
R Sheffrin	**–**	12
R Day	**–**	12
MR de Valladares	**–**	3
	413	1,424

Loans from related parties

	2023 US$'000	2022 US$'000
Beginning of year	**–**	1,415
Loans advanced	**–**	–
Loan repayments made	**–**	(1,415)
End of year	**–**	–

Company Balance Sheet
31 December 2023

	Note	2023 GBP'000	2022 GBP'000
ASSETS			
Non-current assets			
Investment in subsidiaries	4	**1,923**	1,382
Intangible assets	5	**3,546**	–
		5,469	1,382
Current assets			
Debtors	6	**1,574**	2,144
Cash at bank and in hand		**402**	2,830
		1,976	4,974
TOTAL ASSETS		**7,445**	6,356
LIABILITIES			
Current liabilities			
Creditors	7	**2,184**	667
		2,184	667
Net assets		**5,261**	5,689
EQUITY			
Called up share capital	8	**81**	72
Share premium		**13,305**	9,302
Retained earnings		**(9,544)**	(4,609)
Share Option Reserve		**1,419**	924
Total equity attributable to the equity holders		**5,261**	5,689

ATOME PLC reported a loss for the period ended 31 December 2023 of GBP 4,935 thousand (2022: GBP 3,967 thousand). There were no other recognised gains and losses.

These financial statements for ATOME PLC (company number 13691713) were approved by the board of directors and authorised for issue on 26 June 2024

They were signed on its behalf by:

Peter Levine
Chairman

The accompanying accounting policies and notes form an integral part of these financial statements.

Company Statement of Changes in Equity 31 December 2023

	Share capital GBP'000	Share premium GBP'000	Profit and loss account GBP'000	Share based reserve GBP'000	Total GBP'000
Balance at 1 January 2022	65	5,689	(642)	61	5,173
Share-based payments	–	–	–	863	863
Shares issued on reorganisation		–	–	–	–
Offer of shares to public	7	3,732			3,739
Costs of issue		(119)	–	–	(119)
Transactions with the owners	7	3,613	–	863	4,483
Loss for the year	–	–	(3,967)	–	(3,967)
Total comprehensive loss for the year	–	–	(3,967)	–	(3,967)
Balance at 31 December 2022	72	9,302	(4,609)	924	5,689
Balance at 1 January 2023	**72**	**9,302**	**(4,609)**	**924**	**5,689**
Share-based payments	**–**	**–**	**–**	**495**	**495**
Shares issued on reorganisation		**–**	**–**	**–**	**–**
Offer of shares to public	**9**	**4,080**			**4,089**
Costs of issue		**(77)**	**–**	**–**	**(77)**
Transactions with the owners	**9**	**4,003**	**–**	**495**	**4,507**
Loss for the year	**–**	**–**	**(4,935)**	**–**	**(4,935)**
Total comprehensive loss for the year	**–**	**–**	**(4,935)**	**–**	**(4,935)**
Balance at 31 December 2023	**81**	**13,305**	**(9,544)**	**1,419**	**5,261**

Notes to the Company Accounts
Period ended 31 December 2023

The following financial statements have been prepared in accordance with the recognition and measurement principles of Financial Reporting Standard 101 (Reduced Disclosure Framework). The accounts are prepared for the year ending 31 December 2023.

1. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting and presentation

These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the good and services. The principal accounting policies adopted are set out below.

Where required, equivalent disclosures are given in the group accounts of ATOME PLC.

Investments

Investments in subsidiaries are shown at cost, less provision for impairment.

Group accounts

These financial statements are separate financial statements for the Company and are included in the consolidated financial statements of the group accounts of ATOME PLC.

Adoption of new and revised Standards

The Company has adopted all applicable IFRSs and Interpretations which have been endorsed by the UK (UK IAS) and which are relevant to its operations and mandatory for accounting periods beginning on 1 January 2023.

Going concern

The Company Financial Information has been prepared going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Directors have undertaken a review of the Group's working capital requirements considering the funds available from past share placings and additional support commitments from the major shareholders of the Company.

The cash position at the 31 December 2023 was £402 thousand (2022: £2.8 million), with £802 thousand (2022: £1.3 million) receivable for shares issued under the December 2022 and May 2023 share issue.

The Directors continue to monitor cash forecasts closely and apply sensitivity analyses to manage liquidity risk effectively. Cash flow forecasts incorporate the projected settlement of the net current liabilities related to investment activity as detailed in the Strategic Report. In arriving at their view on going concern, reasonable downside sensitivities are considered under which scenarios the Company can elect not to proceed with discretionary expenditure to mitigate risks accordingly. Further details of the Company's commitments are set out in Note 22 to the consolidated financial statements.

Further funding will continue to be required from shareholders, lenders or otherwise for the Company to achieve success in project financing for Villeta Project with the desired outcome of cash generative production in 2027 and to continue its operations, which indicates the existence of material uncertainty over the Group's and the Company's ability to continue as a going concern.

Additional funds may be made available to the Company in the form of the commitment based on the support letter ("the Facility") provided by Peter Levine through one of his entities. The terms thereof are detailed in Note 25 to the Group's financial statements and provide inter alia for a facility of up to £4 million for a period up to 30 September 2025 to support working capital needs.

1. Significant accounting policies (continued)
Going concern (continued)
The Directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Foreign Currency
The financial statements are presented in Great British Pounds, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise.

Taxation
Current tax
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. Critical accounting judgements and key sources of estimation uncertainty

In order to prepare the financial statements in conformity with FRS 101 and UK IAS, management of the Company have to make estimates and judgements. These matters are most important in understanding the judgements that are involved in preparing these statements and the uncertainties that could impact the amounts reported in the results of operations, financial condition and cash flows.

There are no judgements and uncertainties other than those highlighted in Note 3 to the Group financial statements.

3. Loss for the year

As permitted by Section 408 (1) (b) of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the year. ATOME PLC reported a loss for the period ended 31 December 2023 of GBP4.9 million (31 December 2022 GBP4.0 million).

4. Investment in subsidiaries

	Place of Incorporation	Class of Share Capital	Percentage Held (1)	Business
Held Directly				
Atome Fertiliser Limited	UK	Ordinary	100%	Non trading
Atome Iceland Limited	UK	Ordinary	100%	Non trading
Held Indirectly				
Green Fuel ehf	Iceland	Ordinary	75%	Energy production
Atome Paraguay S.A	Paraguay	Ordinary	100%	Fertiliser production
Atome Villeta S.A	Paraguay	Ordinary	100%	Non trading
Atome Yguazu S.A	Paraguay	Ordinary	100%	Non trading

Address of registered office

1. Carrwood Park, Selby Road, Leeds, West Yorkshire, England, LS15 4LG
2. Dalshraun 3 / 220 Hafnarfjordur / Iceland
3. WTC, Torre3, piso 15, oficina B, Asuncion, Paraguay

Note (a): All holdings are of ordinary shares and represent the proportion of the nominal value of the shares held.

Notes to the Company Accounts
Period ended 31 December 2023
continued

5. Intangible Assets
Intangible assets comprise the costs incurred by the Company for engineering and related services for the development of green fertiliser production facility design.

	GBP'000
Cost	
At 1 January 2023	–
Additions	3,546
At 31 December 2023	3,546
Amortisation	
At 1 January 2023	–
Charge for the year	–
At 31 December 2023	–
Net Book Value at 31 December 2023	**3,546**

6. Debtors

	2023 GBP'000	2022 GBP'000
Outstanding on share issue/fundraise	**802**	1,329
Amounts owed by group undertakings	**614**	338
Other receivables	**104**	184
Prepayments	**54**	293
Total carrying value of debtors	**1,574**	2,144

7. Creditors

	2023 GBP'000	2022 GBP'000
Current		
Trade payables	**1,252**	147
Other payables	**932**	520
	2,184	667

8. Share capital
Equity share capital

	2023 '000s	2022 '000s
Authorised, allotted, called up and fully paid		
Ordinary shares of par value £0.002 each	**40,323**	36,021

	2023 GBP'000	2022 GBP'000
Ordinary shares of par value £0.002 each	**81**	72
	81	72

9. Related party transactions
Details on related party transactions are provided in Note 26 to the ATOME PLC consolidated financial statements.

Glossary

General and financial terms

AIM	AIM, a market operated by the London Stock Exchange

Corporate Information

Directors	Peter Levine	Chairman
	Richard Day	Independent Non-Executive Director & Deputy Chairman
	Olivier Mussat	CEO
	James Spalding	Executive Director
	Robert Sheffrin	Finance Director
	Nikita Levine	Director Business Development
	Mary-Rose De Valladares	Non-Executive Director
Secretary	Peter Levine	
Registered Office	Carrwood Park Selby Road Leeds, LS15 4LG	
Website	www.atomeplc.com	
Nominated Advisor	Beaumont Cornish Limited Building 3 566 Chiswick High Road London, W4 5YA	
Broker	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London, W1S 2PP	
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW	
Legal Advisers	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT	
Principal Bankers	Lloyds Bank PLC 25 Gresham Street London EC2V 7HN	
Registrars	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA	
Registered number	13691713	

ATOME PLC

(Incorporated and Registered in England and Wales under the Companies Act 2006 with company number: 13691713)

(the "Company")

Notice of Annual General Meeting (the "AGM")

Notice is hereby given that the AGM of the Company will be held 24 July 2024 at 10 a.m. at Carrwood Park, Selby Road, Leeds LS15 4LG.

In accordance with the Company's articles of association (the"**Articles**"), voting will take place on a show of hands and, if the Company is of the view that this does not reflect the proxy votes, the Chair will direct voting to be by poll.

The AGM will be held for the following purposes, namely:

Ordinary business

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

1 To receive and adopt the Company's Financial Statements for the period ended 31 December 2023, together with the reports of the auditor and directors of the Company ("**Directors**") thereon.

2 To re-appoint Crowe U.K. LLP as auditor of the Company until the conclusion of the next AGM at which accounts for the Company are presented and to authorise the Directors to fix their remuneration.

3 To re-elect Olivier Mussat as a Director of the Company, who retires in accordance with Article 20.2 of the Articles and offers himself for re-election.

4 To re-elect Nikita Levine as a Director of the Company, who retires in accordance with Article 20.2 of the Articles and offers himself for re-election.

5 To re-elect James Spalding as a Director of the Company, who retires in accordance with Article 20.2 of the Articles and offers himself for re-election.

6 To re-elect Mary-Rose de Valladares as a Director of the Company, who retires in accordance with Article 20.2 of the Articles and offers himself for re-election.

Special Business

As special business to consider and if thought fit to pass the following resolutions of which the resolution numbered 7 will be proposed as an ordinary resolution and the resolution numbered 8 will be proposed as a special resolution.

7 That authority be and is hereby granted to the Directors of the Company generally and unconditionally to allot shares in the capital of the Company or to grant rights to subscribe for or convert any security into shares in the capital of the Company ("**Rights**") pursuant to Section 551 of the Companies Act 2006 (the"**Act"**) up to an aggregate nominal amount of £44,923.19 (such amount equating to 50 per cent. of the aggregate nominal value of the issued share capital of the Company as at the date of this Notice) provided that this authority shall expire at the conclusion of the AGM of the Company to be held in 2025, save that the Company may make an offer or agreement before the expiry of this authority 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 pursuant thereto as if the authority conferred hereby had not expired, such authority to be in substitution for any existing authorities conferred on the Directors pursuant to Section 551 of the Act.

8 That the Directors be and they are hereby generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) pursuant to the authority conferred by resolution 10 above as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be in substitution for any previous powers conferred on the Directors pursuant to Section 570 of the Act and shall be limited to:

(a) allotments made in connection with offers of equity securities to the holders of ordinary shares in proportion (as nearly as may be) to the respective numbers of ordinary shares held by them, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of any overseas territory or the requirements of any recognised regulatory body or any stock exchange in any territory;

(b) the allotment (otherwise than pursuant to sub-paragraph (a) above) of further equity securities up to an aggregate nominal amount of £44,923.19 (such amount equating to 50 per cent. of the aggregate nominal value of the issued share capital of the Company as at the date of this Notice) provided that this authority shall expire at the conclusion of the AGM of the Company to be held in 2025, save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant thereto as if the authority conferred hereby had not expired.

BY THE ORDER OF THE BOARD

Peter Levine
Company Secretary
28 June 2024

Registered office:
Carrwood Park
Selby Road
Leeds LS15 4LG

Notes

Entitlement to attend, speak and vote

1. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those members entered on the register of members at 6.30 p.m. on 22 July 2024 (or in the event that this meeting is adjourned, on the register of members 48 hours excluding non-business days before the time of any adjourned meeting) shall be entitled to attend, speak and vote at the meeting in respect of the number of ordinary shares in the capital of the Company held in their name at that time. Changes to the register after 6.30 p.m. on 22 July 2024 shall be disregarded in determining the rights of any person to attend, speak and vote at the meeting.

Appointment of proxies

2. Members are entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Please see the instructions on the enclosed Form of Proxy.

3. The completion and return of a Form of Proxy whether in hard copy form or in CREST will not preclude a member from attending in person at the meeting and voting should he or she wish to do so.

Appointment of proxies using hardcopy proxy form

4. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you) in the boxes indicated on the form. Please also indicate if the proxy instruction is one of multiple instructions being given. To appoint more than one proxy please see the instructions on the enclosed Form of Proxy. All forms must be signed and should be returned together in the same envelope.

5. To be valid, the Form of Proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority must be lodged at the offices of the Company's Registrars, Freepost RTHJ-CLLL-KBKU, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 8LU by post, so as to be received not less than 48 hours excluding non-business days before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be).

Appointment of proxies using 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 from 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.

7. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (Equiniti Limited RA19) by 10 a.m. on 22 July 2024. 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.

8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. 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 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.

9. 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.

Corporate representatives

10. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

ATOME PLC
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Selby Road
Leeds, LS15 4LG

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