

28 September 2023

ATOME ENERGY PLC
(“ATOME”, “the Company”, or “the Group”)

Unaudited Results for the Six Months Ended 30 June 2023
Current Trading Update

ATOME Energy (AIM: ATOM), the only international green hydrogen, ammonia and fertiliser project development company on the London Stock Exchange, with large-scale projects of over 600MW in South America and Europe concentrating on energy and food security, together with hydrogen mobility projects, is pleased to announce its unaudited results for the six-month period ended 30 June 2023 which are set out below together with a current trading update.

H1 2023 Highlights:

- ATOME recorded a loss for the six months ended 30 June 2023 of US\$2.9 million (US\$ 2.5 million for six months ended 30 June 2022 and US\$5.6 million year ended 31 December 2022), with US\$2.1 million of costs capitalised in relation to Villeta project FEED studies, as these activities are directly related to design and construction of the project currently proceeding on a fast track to EPC contract and a Final Investment Decision ("FID") in Q4 2023.
- In January 2023, ATOME signed a mandate with IDB Invest, the private-sector arm of the multilateral Inter-American Development Bank, which has agreed to provide certain grant funding towards the costs of the Environmental and Social Impact Assessment ("ESIA"), with the ESIA being a key step towards project development and positively contributing towards decision making by all funders before FID.
- In May 2023, the Company completed a successful placing of shares to Baker Hughes and other institutional shareholders totalling US\$4.6 million and announced the extension of its Villeta project to production of green fertiliser, aiming to serve the significant and growing agricultural market in South America and worldwide.
- In July 2023, ATOME increased its 120-megawatt ("MW") power purchase agreement ("PPA") at Phase I Villeta Project to 145MW and entered a 300MW pre-PPA agreement for Phase II Yguazu Project with commencement of necessary studies, increasing total committed power supply in Paraguay to 445MW. ATOME also obtained an approval in relation to its application for tax-free zone status at Villeta Project conditional on completion of environmental studies.
- Since announcing its move to green fertiliser production, ATOME has received multiple written expressions of interest from leading international players for the whole of the offtake of Phase I production, which aims to potentially displace up to 500,000 tons of CO₂eq per year.
- Investment Memorandum for Villeta project in Paraguay was circulated to selected potential project-level equity and debt investors in August 2023 and an FID for Phase I Villeta is currently expected in Q4 2023.

Current Trading Update

ATOME continues to make progress on its projects, with Paraguay in particular running ahead of the expected goals set by the Directors.

The Company has developed into a world leading green fertiliser project development company benefiting from the unique position of Paraguay having an excess of competitively priced available baseload low-cost plug and play green electricity from the grid and being located at the centre of the South American agricultural market, which is the largest fertiliser import market in the world.

Phase 1 of Villeta is on track to achieve FID by the end of 2023, with construction activities commencing immediately thereafter and a significantly expanded green fertiliser project coming on stream by the end of 2025.

During the first six months of 2023 and to the date of this report, ATOME has been able to achieve further significant progress in developing its projects, as well as creating a joint venture with its partners in Costa Rica through National Ammonia Corporation ("NAC").

The Company views the future with increasing confidence as it focuses on maintaining the momentum shown since IPO and continues to seek to expand the current portfolio of interests.

Statement by Peter Levine, Chairman and Olivier Mussat, CEO

ATOME's results for the six months ended 30 June 2023 reflect commendable progress for the Company.

The Villeta project alone will be the largest green fertiliser production facility in the world when it comes on stream at the end of 2025 and has the capability of serving domestic and South American as well as European and Asian markets, benefiting from soon to be granted Tax Free Zone status. The Second Phase, code named Iguazu with power already reserved, is nearly triple the size and capacity of Villeta and could be completed within 24 months of Villeta project commissioning.

The FEED packages for Villeta are nearing completion and negotiations for awarding the EPC contract are at an advanced stage, working with the internationally renowned engineers Aecom as our Owner's Engineer.

The finance process for Villeta has been launched by our advisers Natixis, with the multi-lateral IDB Invest mandate already signed, which has already generated significant positive interest both on a debt and equity level internationally as well as locally. In-country visits and face-to-face presentations have already commenced.

As sustainability and climate concerns are now impacting the food and agricultural sectors, with carbon tariffs on fertiliser imports being implemented in the EU from 2026, we have expanded our move into Central America with our joint venture vehicle NAC, in Costa Rica where we have a very prospective 100MW project. This is almost a cut and paste of Villeta in a country which has 98% renewable power. At the same time, we have increased our own management expertise including the appointment of Terje Bakken formerly of Yara and Eurochem as Commercial Head. Iceland remains in our portfolio as one for the future.

This second half of the year is an exciting time for our project progression, and we look forward to delivering further positive news as we progress towards FID on our first project. We view the outlook for ATOME with significant confidence.

The 2023 Half Year Report and Financial Statements will be made available at <https://www.atomeplc.com/>

For more information, please visit <https://www.atomeplc.com> or contact:

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The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. Upon publication of this announcement, this inside information is now considered to be in the public domain. The person who arranged for the release of this announcement on behalf of the Company was Peter Levine, Chairman.

About ATOME

ATOME Energy PLC is an AIM listed company targeting green hydrogen, ammonia, and fertiliser production with over 600-megawatt of projects in Paraguay, Iceland, and Central America.

Since its admission to AIM in December 2021 ATOME has signed its first electrolyser purchase order for its hydrogen transport Mobility Division due to start generating revenue in 2023 and signed a 145MW power purchase agreement with ANDE, the state energy company in Paraguay for production of green ammonia to produce industrial scale premium value green fertiliser in 2025. It has procured 30 hectares of land in Villeta, Paraguay for that facility, mandated Natixis Corporate & Investment Banking and the multilateral IDB Invest to lead the project funding and with Front End Engineering and Design studies currently underway with the international companies Urbas and Casale.

In December 2022, ATOME entered into a joint venture with Cavendish, the renewable energy arm of the substantial and well-established Purdy Group based in Costa Rica and formed The National Ammonia Corporation S.A, which is owned equally by ATOME and Cavendish.

ATOME is in the process of operational planning, sourcing and negotiations with green electricity suppliers, equipment providers and offtake partners, including signed memoranda of understanding and cooperation agreements in place with key parties, to produce green ammonia at an industrial scale using electricity generated from existing geothermal sources in Iceland and hydroelectric power in Paraguay and Costa Rica. All chosen sites are located close to the power and water sources and export facilities to serve significant domestic and then international demand.

The Company has a green-focused Board which is supported by major shareholders including Peter Levine, Trafigura, one of the world's leading commodity and logistics company, and Schroders, a leading fund manager, and since May 2023, Baker Hughes, a global energy technology company operating in the energy and industry sectors.

Financial Review to 30 June 2023

The condensed financial statements present the half-year results for the six months ended 30 June 2023 for ATOME Energy PLC, a green hydrogen, ammonia and fertiliser project development company on the London Stock Exchange, with large-scale projects of over 600MW in South America and Europe concentrating on energy and food security, together with hydrogen mobility projects.

Operating loss attributable to the Group's equity holders was in line with expectations and totalled US\$ 2.9 million (US\$2.5 million for the six months ended 30 June 2022). As Villeta project has advanced with front end engineering and design (FEED), costs incurred on the FEED contract and other directly attributable costs totalling US\$2.1 million were capitalised in the six months ended 30 June 2023.

Net cash used by operating activities totalled US\$3.3 million (US\$3.7 million for the six months ended 30 June 2022 and US\$6.2 million for the year ended 31 December 2022, respectively), with cash used by investing activities totalling US\$2.1 million.

Operating deficit and investing activities cash outflows were financed primarily by the receipt of net proceeds received from the issue of shares in the placing totalling US\$4.6 million (US\$3.7 million in six months ended 30 June 2022 and US\$7.9 million in the year ended 31 December 2022).

Additional financial support is available to the Group in the form of an Unconditional Standby Equity Facility Agreement whereby Peter Levine, Chairman and one of his investment vehicles, PLLG Investments Limited, have agreed to subscribe for shares at the placing price of 80p per share at the call option of the Company at no cost and at any time during the period to end June 2024. This provides an additional £3.0 million facility to the Group should it so require after considering other forms of financing available.

The results of the Group are presented in US Dollars as all its budgeting, cost management and future trading is or will be denominated in US Dollars. The foreign exchange gains and losses arising from translation from the Group entities functional currency to US Dollars are taken to the Translation reserve on the statement of financial position.

	6 months to 30 June 2023 (Unaudited) US\$000	6 months to 30 June 2022 (Unaudited) US\$000	Period to 31 Dec 2022 (Audited) US\$000
Income from grants	6	31	170
Other Income	-	-	62
Loss before tax	(2,856)	(2,501)	(5,598)
Net cash from operating activities	(3,257)	(3,710)	(6,152)
Net cash from investing activities	(2,070)	(14)	-
Proceeds from issue of shares (net of expenses)	4,583	3,689	7,965
Net cash/(debt)	2,838	1,633	3,452
Cash balance	3,634	1,633	3,452

Condensed Consolidated Statement of Comprehensive Income

		6 months to 30 June 2023 (Unaudited) US\$000	6 months to 30 June 2022 (Unaudited) US\$000	Period to 31-Dec 2022 (Audited) US\$000
Administrative expenses	3	(2,870)	(2,531)	(5,830)
Other Income		-	-	62
Investment grant		6	31	170
Operating loss		(2,864)	(2,500)	(5,598)
Finance Income		22	-	2
Finance costs		(37)	(1)	(2)
Foreign exchange gain (loss)		23	-	-
Loss before taxation		(2,856)	(2,501)	(5,598)
Income tax (charge)/credit				
Current tax income tax (charge)/credit		-	-	-
Deferred tax being a provision for future taxes		-	-	-
Total income tax (charge)/credit		-	-	-
Loss for the period from continuing operations		(2,856)	(2,501)	(5,598)
Non-controlling interest share of the comprehensive loss		42	66	119
Loss attributable to the equity holders		(2,814)	(2,435)	(5,479)
Other comprehensive income (loss)				
Items that may be reclassified subsequently to profit or loss		256	(413)	(387)
Total comprehensive profit/(loss) for the period attributable to the equity holders of the Parent Company		(2,558)	(2,848)	(11,345)
Earnings/ (loss) per share from continuing operations		US cents	US cents	US cents
Basic earnings/ (loss) per share	4	(7.71)	(7.70)	(16.80)
Diluted earnings / (loss) per share	4	(7.71)	(7.70)	(16.80)

Condensed Consolidated Statement of Financial Position

		30-Jun 2023 (Unaudited) US\$000	30-Jun 2022 (Unaudited) US\$000	31-Dec 2022 (Audited) US\$000
	Note			
ASSETS				
Non-current assets				
Goodwill		6	7	6
Property, plant and equipment	5	3,059	46	939
		3,065	53	945
Current assets				
Trade and other receivables	6	2,842	1,915	2,223
Cash and cash equivalents		3,634	1,633	3,452
		6,476	3,548	5,675
TOTAL ASSETS		9,541	3,601	6,620
LIABILITIES				
Current liabilities				
Trade and other payables	7	1,197	296	1,649
Short-term facility		-	-	-
		1,197	296	1,649
Non-current liabilities				
Long Term Debt		796		
Trade and other payables	7	-	10	-
		796	10	-
TOTAL LIABILITIES		1,993	306	1,649
EQUITY				
Share capital		106	87	96
Share premium		16,786	7,653	11,901
Translation reserve		(75)	(369)	(331)
Profit and loss account		(10,536)	(4,666)	(7,722)
Share base payment reserve		1,428	656	1,146
Equity attributable to owners of the parent		7,709	3,361	5,090
Non-controlling interest		(161)	(66)	(119)
TOTAL EQUITY		7,548	3,295	4,971
TOTAL EQUITY AND LIABILITIES		9,541	3,601	6,620

Condensed Consolidated Statement of Changes in Equity

	Share capital and premium	Profit & loss account	Other Reserves	Total	Non- controlling interest	Total
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Balance as at 1 January 2022	7,740	(2,243)	139	5,636	-	5,636
Share-based payments	-	-	573	573	-	573
Transactions with owners	-	-	573	573	-	573
Loss for the period	-	(2,501)	-	(2,501)	-	(2,501)
Non-controlling interest share in comprehensive loss		66	-	66	(66)	-
Exchange differences on translation		12	(425)	(413)	-	(413)
Total comprehensive loss	-	(2,423)	(425)	(2,848)	(66)	(2,914)
Balance as at 30 June 2022	7,740	(4,666)	287	3,361	(66)	3,295
Share-based payments	-	-	490	490	-	490
Offer of shares to public	4,394	-	-	4,394	-	4,394
Costs of issue new shares	(137)	-	-	(137)	-	(137)
Transactions with owners	11,997	(4,666)	777	8,108	(66)	8,042
Loss for the period	-	(3,109)	-	(3,109)	-	(3,109)
Non-controlling interest share in comprehensive loss		53	-	53	(53)	-
Exchange differences on translation	-	-	38	38	-	38
Total comprehensive income/(loss)	-	(3,056)	38	(3,018)	(53)	(3,071)
Balance as at 1 January 2023	11,997	(7,722)	815	5,090	(119)	4,971
Share-based payments	-	-	282	282	-	282
Offer of shares to public	5,086	-	-	5,086	-	5,086
Costs of issue new shares	(191)	-	-	(191)	-	(191)
Transactions with owners	4,895	-	282	5,177	-	5,177
Loss for the period	-	(2,856)	-	(2,856)	-	(2,856)
Non-controlling interest share in comprehensive loss		42	-	42	(42)	-
Exchange differences on translation		-	256	256	-	256
Total comprehensive income/(loss)	-	(2,814)	256	(2,558)	(42)	(2,600)
Balance as at 30 June 2023	16,892	(10,536)	1,353	7,709	(161)	7,548

Condensed Consolidated Statement of Cash Flows
Six months ended 30 June 2023

Consolidated Statement of Cash Flows
Six months ended 30 June 2023

	6 months to 30 June 2023 (Unaudited) US\$000	6 months to 30 June 2022 (Unaudited) US\$000	Period to 31-Dec 2022 (Audited) US\$000
Cash flows from operating activities - (Note 8)			
Cash generated/(consumed) by operations	<u>(3,257)</u>	<u>(3,710)</u>	<u>(6,152)</u>
	<u>(3,257)</u>	<u>(3,710)</u>	<u>(6,152)</u>
Cash flows from investing activities			
Additions to property plant and equipment	<u>(2,070)</u>	<u>(14)</u>	<u>-</u>
	<u>(2,070)</u>	<u>(14)</u>	<u>-</u>
Cash flows from financing activities			
Proceeds from issue of shares (net of expenses)	4,583	3,689	7,965
Loan drawdown	796	-	-
Repayment of borrowings	-	-	-
Repayment of obligations under leases	<u>(13)</u>	<u>(12)</u>	<u>(26)</u>
	<u>5,366</u>	<u>3,677</u>	<u>7,939</u>
Net increase/(decrease) in cash and cash equivalents	(39)	(47)	1,787
Opening cash and cash equivalents at beginning of year	3,452	1,865	1,865
Exchange (losses)/gains on cash and cash equivalents	<u>(143)</u>	<u>(185)</u>	<u>(200)</u>
Closing cash and cash equivalents	<u>3,634</u>	<u>1,633</u>	<u>3,452</u>

Notes to the Financial Statements

Six months ended 30 June 2023

1. Nature of operations and general information

ATOME Energy PLC (the Company) is a public company limited by shares and incorporated in England in the United Kingdom under the Companies Act 2006. The address of the Company's registered office is Carrwood Park, Selby Road, Leeds, LS15 4LG. The Company's and its subsidiaries' (the Group) operations and principal activities include planning, development and execution of the projects to produce green hydrogen, ammonia and fertiliser using renewable energy. The Company is quoted on the AIM market of the London Stock Exchange (ticker: ATOM), and is headquartered in Leeds, UK, with offices in Asunción, Paraguay and Akureyri, Iceland.

These condensed consolidated interim financial statements (the interim financial statements) have been approved for issue by the Board of Directors on 22 September 2023. The financial information for the year ended 31 December 2022 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial information for the six months ended 30 June 2023 and 30 June 2022 was neither audited nor reviewed by the auditor. The Group's audited statutory financial statements for the year ended 31 December 2022 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified, did not include a reference to matters to which the auditors drew attention by way of emphasis except for potential material uncertainty that may arise in the event if, despite the Directors' stated confidence, the Company is unable to achieve project finance by December 2024, around the Company's ability to continue as a going concern, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

The interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2022, which have been prepared in accordance with UK adopted International Accounting Standards.

These financial statements have been prepared under the historical cost convention, except for any derivative financial instruments which have been measured at fair value. The accounting policies adopted in the 2023 interim financial statements are the same as those adopted in the financial statements for the year ended 31 December 2022, as included in the 2022 Annual report.

	6 months to 30 June 2023 (Unaudited) US\$000	6 months to 30 June 2022 (Unaudited) US\$000	Period to 31 Dec 2022 (Audited) US\$000
3 Administrative expenses			
Directors' fees and related costs (including non-executive Directors)	833	717	2,036
Staff costs	576	143	910
Cost of issue for existing shares	-	-	164
Share-based payments	-	573	1,063
Depreciation	-	12	24
Other	1,461	1,086	1,633
	<u>2,870</u>	<u>2,531</u>	<u>5,830</u>

4 Earnings / (loss) per share

Net profit / (loss) for the period attributable
to the equity holders of the
Parent Company

	(2,856)	(2,501)	(5,598)
	Number	Number	Number
	'000	'000	'000
Weighted average number of shares in issue	37,019	32,500	32,606
Earnings /(loss) per share	US cents	US cents	US cents
Basic	(7.71)	(7.70)	(16.80)
Diluted	(7.71)	(7.70)	(16.80)

5 Property, plant and equipment

	Land Assets US\$000	Leased Assets US\$000	Asset Under Construction US\$000	Total US\$000
Cost				
At 1 January 2022	-	47		47
Additions	-	-		-
At 30 June 2022	-	47	-	47
Additions	918	-		918
At 1 January 2023	918	47	-	47
Additions	-	-	2,132	2,132
At 30 June 2023	918	47	2,132	3,097
Depreciation/Impairment				
At 1 January 2022	-	2		2
Charge for the period	-	12		12
At 30 June 2022	-	14	-	14
Charge for the period	-	12		12
At 1 January 2023	-	26	-	26
Charge for the period	-	12		12
At 30 June 2023	-	38	-	38
Net Book Value 30 June 2023	918	9	2,132	3,059
Net Book Value 30 June 2022	-	33	-	33
Net Book Value 31 December 2022	918	21	-	939

	6 months to 30 June 2023 (Unaudited) US\$000	6 months to 30 June 2022 (Unaudited) US\$000	Period to 31 Dec 2022 (Audited) US\$000
6 Trade and other receivables			
Outstanding on share issue	2,037	1,279	1,601
Prepayments	421	553	268
Other receivables	384	83	354
	<u>2,842</u>	<u>1,915</u>	<u>2,223</u>
7 Trade and other payables			
Current			
Other payables	1,187	272	1,543
Costs of issue for new and existing shares outstanding	-	-	84
Current portion of leases	10	24	22
	<u>1,197</u>	<u>296</u>	<u>1,649</u>
Non-current			
Long Term Debt	796	-	-
Non-current portion of leases	-	10	-
	<u>796</u>	<u>10</u>	<u>-</u>
Total carrying value	<u>1,993</u>	<u>306</u>	<u>1,649</u>

8. Reconciliation of operating profit to net cash outflow from operating activities

	6 months to 30 June 2023 (Unaudited) US\$000	6 months to 30 June 2022 (Unaudited) US\$000	Period to 31 Dec 2022 (Audited) US\$000
Profit/(loss) from operations before taxation	(2,857)	(2,501)	(5,598)
Interest on Bank Deposits			2
Depreciation and impairment of property, plant and equipment	12	12	24
Interest accretion on lease liability	1	1	-
Placing costs expensed	191	-	-
Share-based payments	282	573	1,063
Operating cash flows before movements in working capital	(2,371)	(1,915)	(4,509)
(Increase)/decrease in receivables	(439)	(409)	(394)
Increase/(decrease) in short-term facility	-	(1,412)	(1,415)
(Decrease)/increase in payables	(447)	14	369
Foreign exchange loss/(gain)	-	12	(203)
Net cash generated by/(used in) operating activities	(3,257)	(3,710)	(6,152)

10. Capital commitments

The Group's outstanding capital commitments in relation to its projects totalled US\$5.3 million as at 30 June 2023 and as at the date of this report, with US\$2.8 million due within the next 12 months.

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