

HYDROGEN UTOPIA INDUSTRIALS

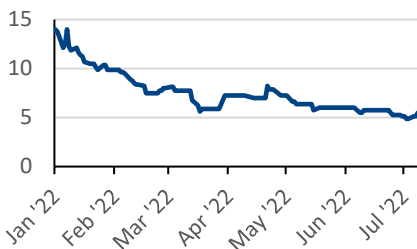
14 July 2022

HUI.L

5.5p

Market Cap: £21.1m

SHARE PRICE (p)



12m high/low 14.0p/4.9p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (Debt)/Cash	£4.7m (at 31/12/21)
Enterprise value	£16.4m
Index/market	AXS
Next news	TBC
Shares in Issue (m)	384.3
Chairman	Guy Peters
Chief Executive	Aleksandra Binkowska
Finance Director	James Nicholls-May

COMPANY DESCRIPTION

Hydrogen Utopia is a plastic waste-to-energy technology company.

www.hydrogenutopia.eu

HYDROGEN UTOPIA IS A RESEARCH CLIENT OF
PROGRESSIVE

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Proposed joint venture in Ireland

Hydrogen Utopia International (HUI) has announced that it has agreed heads of terms with Powerhouse Energy Group (PHE) for joint development of a proposed waste plastic to hydrogen plant at Lanespark, Tipperary in Ireland. This will be a 50:50 joint venture, aiming to build a plant on the site that HUI expects to acquire through its deal with Trifol in April 2022. This marks a major step forward in HUI establishing its first full scale waste plastic to hydrogen plant in Europe.

- **Heads of terms.** Under the heads of terms, HUI and PHE will form a 50:50 joint venture vehicle which will develop the waste plastic to hydrogen plant at Lanespark, Tipperary.

This joint venture will develop the plant with both partners contributing to the development costs on an equal basis. PHE will pay HUI a non-refundable payment of £0.4 million in cash and advance a loan of £0.6 million. These are in recognition of the work that HUI has done to identify and advance the site and its prospects to date. This £0.6 million loan to HUI will have a term of up to two years, with redemption through a bullet payment after one or two years of £0.66 - £0.75 million reflecting interest and capital repayment. Previously HUI and PHE had an exclusivity agreement to work together. This has now been mutually terminated although both parties will consider collaboration on future projects.

The proposed plant. In April 2022, HUI announced that it had reached an agreement with Trifol Resources Limited (TRL). TRL holds a long lease on a large site in Lanespark, Tipperary which is ideally located in terms of utilities, potential suppliers and customers. The two companies (HUI and TRL) propose to both build plants on this site. HUI is currently finalising negotiations for a lease of part of the site with TRL and the freeholder to enable HUI to build its plant. HUI and TRL are then expected to agree a development and collaboration agreement that will provide the basis for developing the separate HUI and TRL plants on the site. This is expected to be concluded over the coming months. For more details please see our recent note ([Proposed move into Ireland, 28 April 2022](#)).

- **Overview.** This deal is further evidence that HUI is closer to building its first operating waste plastic to hydrogen plant in Europe. The proposed joint venture between HUI and PHE allows the two companies to use their combined technological expertise and skillsets to move the project forward.

We expect that the market will now focus on progress on the site lease and the testing of the chemical conversion chamber with Electron as a precursor to detailed design and manufacture. Thereafter, investors will look for agreement between HUI and TRL in moving ahead with their respective plants in Ireland.

Overall, yesterday's news is clearly a major step forward for the business in terms of its plans to commercialise the technology, and its ability to partner with others to achieve a positive result. As described above, we await further news on the lease, the Electron testing results and progress on the Hui and TRL plants in Ireland.

Disclaimers and Disclosures

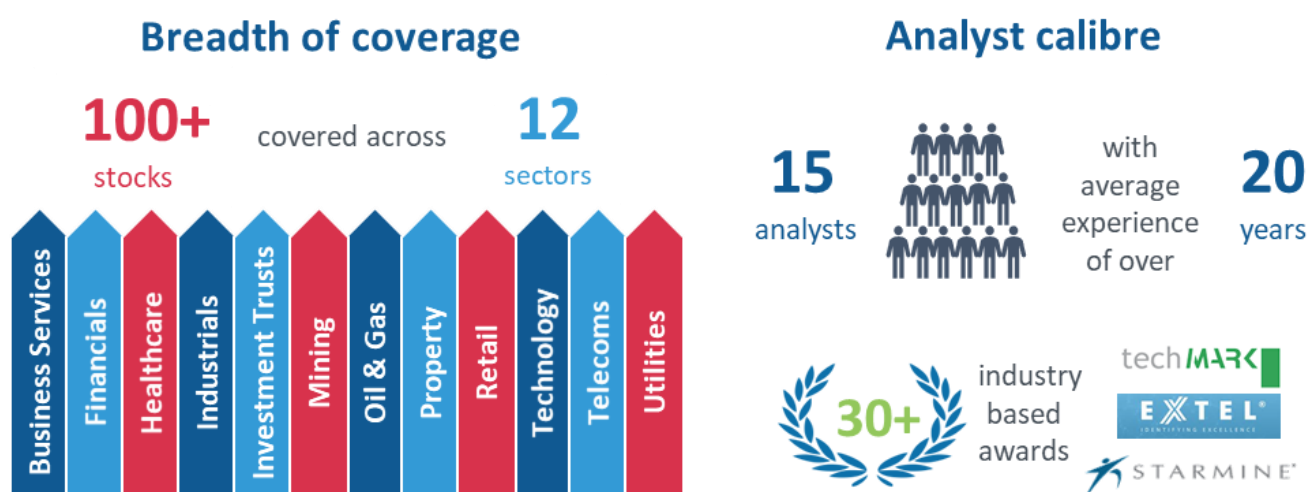
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