



# Final Results for the 12 months ended 31 July 2025

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energy B plc

("energy B" or the "Company")

## Final Results for the 12 months ended 31 July 2025

energy B plc (AQSE: NRGB), a developer of a proprietary wind-based green hydrogen production system featuring an advanced aerodynamic wind turbine, announces its audited financial results for the 12 months ended 31 July 2025 (the "Period").

### Chairman's statement

#### Introduction

energy B Plc ("the Company") announces its financial results for the 12 months ended 31 July 2025. During the period, the Company made modest progress in the development of its green hydrogen production system, including testing of key system components such as the wind turbine and further develop the electrolyser technology being pursued in partnership with a team in California. Financial constraints during the period limited the Company's ability to undertake testing of a newly upgraded wind turbine prototype located in Montana, however, through the efforts of our CEO, Tim Blake, new relationships have been forged in Montana which may provide the Company access to a regional energy project and support future development opportunities.

#### Development activities

##### *Wind turbine development*

The Company's hydrogen production system includes a wind turbine that has been specifically designed to significantly increase the efficiency of power production. A 1-metre diameter prototype in Montana, USA has been tested and new prototypes, further developing the concept, are under construction with a view to additional testing in the coming year.

A key element of the Company's patent designed allows the turbines to be more efficient than current open rotor turbines due to modified aerodynamics. The design incorporates a cowling, that directs air flow across the rotor blades, increasing effective wind speed by a multiple factor. The cowling then channels airflow away from the rear of the turbine, reducing the formation of still air whilst maintaining consistent airflow through the turbines.

The Company's prototypes are being tested in an area carefully selected for its consistent wind speeds and regulatory support for wind turbine development and wind farm placement. The Company has access to a local development facility where the turbines are fabricated and mounted onto towers for testing in local wind speeds, with the power output from the prototype turbines being compared to predicted results. The cowling and rotor blades are a product of aerodynamic development and have been 3D printed on site.

To date, the data collected has been consistent with those collected through extensive computational fluid dynamics and wind tunnel testing which suggests more than a 270% increase in energy production compared to open rotor wind turbines of comparable size.

The test site in Montana is adjacent to a tailing's facility operated by Barrick Gold, a major global mining company. The Company has agreed to collaborate with Barrick Gold on a feasibility study, the first stage of which included the data collection from the prototype wind turbine testing detailed above and the sharing of mine site processing samples. The purpose of the feasibility study is to demonstrate the use of energy B's system to utilise wastewater from the tailings operation as a feedstock to generate both clean energy and clean water for on-site mining operations. That feasibility study is ongoing as at the date of this report.

##### *Electrolyser development*

energy B announced on 24 May 2023 that concept testing of an electrolyser for the hydrogen production system was underway in California, USA, led by quantum-physicist, Dr Nicholas Blake, partially supported by the Company. The objective is to build an Anion Exchange Membrane Water Electrolyser (AEMWE) without platinum group metal catalysts, using cheaper and more readily available materials.

Work on this concept has continued throughout the period with positive results and the Company intends to patent the

concept with a view to fully incorporating this innovative design into the IP held by the Company.

### **University Collaboration**

Collaboration has continued under a Memorandum of Understanding with the University of Bristol ("Bristol") to advance technologies, secure funding for joint research and development and accelerate commercial opportunities. Bristol is a leading research university with several active research and development projects related to hydrogen. Bristol has identified energy B's technology as having synergies with its Hydrogen Depleted Uranium Storage project being undertaken with EDF Energy Limited.

Bristol has also identified several pilot or demonstrator sites suitable for locating energy B's green hydrogen production system including potential use of university sites outside the city of Bristol. In preparation for further testing of these concepts the Company secured, at nominal cost, the use of two hydrogen powered vehicles from Toyota.

### **Corporate activities**

#### **Board Changes**

In November 2024, Hannah Haxby stepped down from the Board as an Independent Non-Executive Director to pursue her executive roles elsewhere. Daniel Maling stepped down as Commercial Director in November 2024 to pursue other executive roles and took on the role as a Non-Executive Director. I replaced Daniel Maling as the executive director in the role of Executive Chairman. In April 2025, the Board appointed Jonathan Colville as a Non-Executive Director.

Further Board changes occurred after the year end and have been detailed below.

#### **Financial Review**

Financial headlines for the Group for the 12 months ended 31 July 2025 are:

- Cash and cash equivalents at year end were approximately £24,000 (2024: £13,000)
- Loss before taxation for the year was approximately £645,000 (2024: £1,047,000)
- Net cash inflow for the year was approximately £8,000 (2024: £254,000 outflow)
- The Group held net liabilities at year-end of approximately £49,000 (2024: £570,000 net assets)

The loss in the period largely relates to general administrative expenses of running the Group, largely relating to the AQSE Growth Market listing.

#### **Licensing Agreement for the United States of America**

In June 2025, a licensing agreement was signed to deploy the Company's technology in the United States of America via a special purpose vehicle, HFI Energy Systems US Inc ("HFI Energy"). HFI Energy intends to develop a green energy park in Montana, USA utilising the Company's technology. HFI Energy was a wholly owned subsidiary of the Company until 10 May 2025, at which time the Company's ownership was transferred to the Company's CEO, Tim Blake.

The Company's wholly owned subsidiary, HFI IP Holdings Limited, agreed to grant HFI Energy an exclusive licence for a minimum of 10 years upon receipt of a US\$2,000,000 licence fee, payable within four months of signing the agreement. The Company has agreed that it will use US\$1,000,000 of the licence fee when received for the further development of the wind turbine energy system. HFI Energy can renew the licence after 10 years by paying a renewal fee of US\$2,000,000. The licence fee was not paid as expected, however, following the end of the reporting period the sunset clause in the licensing agreement was extended to allow more time for HFI Energy to complete the agreement.

HFI Energy's objective is to commercialise the energy B system (including wind turbines and electrolyzers) in the USA and to construct and operate wind turbine farms for the purpose of hydrogen generation, storage, sale, and distribution in the USA.

The Company also signed heads of terms with HFI Energy for a manufacturing licence which sets out the terms under which they are authorised to manufacture the Company's products for distribution and installation within the USA. That agreement is conditional upon executing a shareholder agreement between the Company and HFI Energy and the issue of 20% of the equity in HFI Energy to the Company.

Under the terms of the agreement royalties of up to 5% are payable upon delivery and installation of the relevant licensed products.

#### **Issue of equity**

As announced on 27 January 2025, the Company issued 2,906,250 new ordinary shares at a price of 1.6 pence per share to creditors in lieu of cash for consultancy and service provider fees. The shares were subject to a six-month lock-in agreement which has now expired.

### **Post balance sheet events**

#### **Pivot to a Bitcoin Treasury Company**

On 26 September 2025, the Board announced a proposed pivot of the Company to a bitcoin treasury strategy which would sit alongside the existing operated technology business. Consistent with that new strategy the Board appointed three new executive directors; Alex Appleton, Sarah Gow and Pierre Villeneuve, to bring relevant expertise to the Board. I simultaneously stepped back to my previous role as Non-Executive Chairman.

On 6 October 2025 the Company conditionally raised gross proceeds of £400,000 through the conditional issue of 40 million new ordinary shares at a price of 1 pence per share.

In addition, the Company conditionally agreed to issue approximately 17.2 million new Ordinary Shares at 1 pence per share to settle creditor liabilities of approximately £172,000. The issue of these new shares was approved by shareholders at the Annual General Meeting held on 6 October 2025. Dan Maling retired as a director at the time of the Annual General Meeting.

A General Meeting subsequently held on 13 October 2025 approved the Company's new corporate strategy. In connection with this, the Company changed its name to energy B plc to reflect the revised strategic focus and undertook a 50 to 1 share consolidation to provide a capital structure intended to be more attractive to crypto currency focused investors.

A subsequent downturn in the bitcoin price led the newly appointed directors to conclude they would be unable to complete their proposed funding and cryptocurrency treasury policy, and they resigned from the Board without notice on 3 December 2025. As a result of the departure of the newly appointed directors, the Company is reviewing and considering the appropriate future direction of its Bitcoin treasury activities, which remain ancillary to its principal strategy of developing its proprietary hydrogen technology.

#### **Licensing Agreement for the United States of America**

In December 2025, the Board agreed to extend the licence previously granted to HFI Energy pending resolution of the future funding of HFI Energy. No new sunset date for the license to come into effect was set pending resolution of future funding arrangements within HFI Energy. The Board believes that it is in the best interests of the Company to hold open the potential to licence the IP in the USA through HFI Energy.

#### **Conclusion**

The last 18 months have been a difficult time for listed small cap technology companies and especially so in the hydrogen sector of the green energy space. Nevertheless, the modelled and observed performance improvement of the energy B wind turbine relative to existing ones is potentially game changing and we look forward to moving closer to a position whereby we can demonstrate this on a path to commercialisation.

Enormous strides have also been made in the design and testing of a novel new electrolyser technology and once patents have been successfully filed, the Company hopes to be able to further develop the concepts in collaboration with its inventors and industrial partners.

The Board and I remain positive that the Company's patented technology and energy systems concept has major commercial potential, and we remain committed to ensuring the technology is fully tested and, if appropriate, readied for commercial manufacturing.

The funding of technology developments remains difficult, and therefore the Company continues to explore new means to access funding to secure a timely pathway to commercialisation of its green energy system.

#### **Neil Ritson**

Non-Executive Chairman

29 January 2026

#### **Business Update**

The Directors present their report and financial statements for the year ended 31 July 2025.

#### **Principal activities**

The Company was incorporated under the Companies Act 2006 on 13 July 2021 under the name Hydrogen One Plc, before changing its name to Hydrogen Future Industries Plc on 19 November 2021 and then again on 20 October 2025 to energy B Plc.

The principal activity of the Group is as a developer of proprietary wind-based green hydrogen production systems. The Group is currently in the research and development phase with the aims to look to begin producing a commercially viable product in the short to near future.

The address of its registered office is 6 Heddon Street, London, W1B 4BT, United Kingdom.

#### **Results**

The Group recorded a loss for the year ended 31 July 2025 before taxation of approximately £645,000 (2024: approximately £1,047,000).

#### **Directors**

The following Directors have held office during the year and to the date of these financial statements:

Neil Ritson	(appointed 13 September 2023)
Jonathan Colvile	(appointed 2 April 2025)
Daniel Maling	(appointed 22 September 2021) (resigned 6 October 2025)
Hannah Haxby	(appointed 14 June 2024) (resigned 1 November 2024)
Fungai Ndoro	(appointed 8 September 2021) (resigned 25 April 2024)
Alexander Appleton	(appointed 26 September 2025) (resigned 3 December 2025)
Sarah Gow	(appointed 26 September 2025) (resigned 3 December 2025)
Pierre Villeneuve	(appointed 26 September 2025) (resigned 3 December 2025)

Details of the Directors' holding of Ordinary Shares and Warrants are set out in the Director's Remuneration Report.

#### **Financial Risk & Management**

The overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies can be referenced in Note 3.

### Share Capital

Details of the Company's issued share capital, together with details of the movements since incorporation, are shown in Note 21. The Company has one class of ordinary Share, and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

### Substantial Shareholdings

At 27<sup>th</sup> January 2026, the Group had been informed of the following substantial interests over 3% of the issued share capital of the Company:

	Number of Shares	Percentage Holding %
Tim Blake	299,450	12.45%

Remuneration paid to the Directors' during the year ended 31 July 2025 was:

#### 31 July 2025

	Base salary £'000	Share based payments £'000	Total £'000
Neil Ritson	59	-	59
Jonathan Colvile	14	-	14
Daniel Maling	65	-	65
Hannah Haxby	12	-	12
	<b>150</b>	<b>-</b>	<b>150</b>

#### 31 July 2024

	Base salary £'000	Share based payments £'000	Total £'000
David Ormerod	2	-	2
Daniel Maling	38	-	38
Neil Ritson	7	-	7
Hannah Haxby	-	-	-
Fungai Ndoro	11	8	19
	<b>58</b>	<b>8</b>	<b>66</b>

There were no performance measures associated with any aspect of the Director's remuneration during the year.

### Bonus and incentive plans

There were no bonus and incentive plans in place during the year for directors.

### Directors' interests in shares

The Company has no Director shareholder requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 27 January 2026 was:

	Ordinary Shares	Percentage (%) of issued share capital
Jonathan Colvile	36,800	1.53%
Neil Ritson	70,800	2.94%
	<b>107,600</b>	<b>4.47%</b>

The Directors held the following options at the signing of this report:

Director	As at 1 August 2024	Issued during the year	Expired or lapsed during the year	As at 31 July 2025	Exercise Price	Earliest date of exercise	Latest date of exercise
Neil Ritson	250,000	-	-	250,000	£0.05	20 Feb 2024	20 Feb 2026
	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>250,000</b>			
Jonathan Colvile	200,000	-	-	200,000	£0.05	20 Feb 2024	20 Feb 2026
	<b>200,000</b>	<b>-</b>	<b>-</b>	<b>200,000</b>			
	<b>450,000</b>	<b>-</b>	<b>-</b>	<b>450,000</b>			

### Disclosure and Transparency Rules

Details of the Company's share capital and warrants and options are given in the notes to the financial statements. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights. The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

#### **Auditor Information**

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's Auditor is aware of that information

#### **Political Donations**

The Group did not make any donations to political parties in the year.

#### **Events after the reporting period**

See note 27 in the consolidated financial statements.

#### **Directors' Indemnity Provisions**

The Group has implemented Directors and Officers Liability Indemnity insurance.

#### **Going concern**

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, however, notes that a material uncertainty exists due to the Company's reliance on raising additional funds. Further details are given in Note 2.3 to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

On behalf of the board \_\_\_\_\_

#### **Neil Ritson**

Non-Executive Chairman

29 January 2026

As a Group listed on the AQUIS Stock Exchange, the Group is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors are committed to ensuring that appropriate standards of corporate governance are maintained, so far as is appropriate given the Group's current stage of development, the size and composition of the board and available resources.

On 13 November 2023, the QCA published the latest version of its corporate governance code ("2023 Code") aimed at 'UK Growth companies'. The 2023 Code applies to financial years beginning on or after 1 April 2024, meaning the Company's first required year of compliance is the financial year being reported. The adoption of the 2023 Code is as outlined below.

The QCA Code has ten principles of corporate governance that the Group applies to establish the governance foundations of the business. These principles are:

1. Establish a purpose, strategy and business model which promote long-term value for shareholders.
2. Promote a corporate culture that is based on ethical values and behaviours;
3. Seek to understand and meet shareholder needs and expectations;
4. Take into account wider stakeholder interests, including social and environmental responsibilities and their implications for long term success;
5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation;
6. Establish and maintain the board as a well-functioning balanced team led by the Chair;
7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up to date experience, skills and capabilities;
8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
9. Establish a remuneration policy which is supportive of long-term value creation and then company's purpose, strategy and culture; and,
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.

Here follows a short explanation of how the Group applies each of the principles, including where applicable an explanation of why there is a deviation from those principles.

#### **Principle One**

## *Business Model and Strategy*

The Group is committed to exploring all viable avenues to creating shareholder value primarily through investment in renewable energy development. Currently the Group is pursuing proprietary wind-based green hydrogen technology through the development of a wind turbine prototype. The Group is also investing in the development of electrolyzers which highlights significant progress towards the end goal of producing an end to end renewable energy system. The Group has a clear business strategy and is making significant progress towards its goals.

## **Principle Two**

### *Corporate Culture*

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole which in turn will impact the Group's performance. The Directors are very aware that the tone and culture set by the Board will greatly impact all aspects of the Group and the way that consultants or other representatives behave. The corporate governance arrangements that the Board has adopted are designed to instil a firm ethical code to be followed by Directors, consultants and representatives alike throughout the entire organisation. The Group strives to achieve and maintain an open and respectful dialogue with representatives, regulators and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Group to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through everything that the Group does. The Directors are focused on ensuring that the Group maintains an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Group has adopted, a code for Directors' dealings in securities which is appropriate for a company whose securities are traded and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

Issues of bribery and corruption are taken seriously. The Group has a zero-tolerance approach to bribery and corruption and has recently put an anti-bribery and corruption policy in place to protect the Group, its employees and those third parties to which the business engages with.

## **Principle Three**

### *Understanding Shareholder Needs and Expectations*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. They will be encouraged to attend the AGM, and the Group is actively looking to increase its online presence to give a more accurate depiction of the operations of the Group.

## **Principle Four**

### *Considering wider stakeholder and social responsibilities*

The Board recognises that the long-term success of the Group is reliant upon open communication with its internal and external stakeholders: investee companies, shareholders, employees, contractors, regulators and other stakeholders. The Group has created close ongoing relationships with a broad range of its stakeholders and will ensure that it provides them with regular opportunities to raise issues and provide feedback to the Group.

### Impact of operations on the community and environment

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. As of the beginning of this financial year the Group has begun work and subsequently completed the development of a 1m wind turbine in the United States of America state Montana, US.

The Directors are aware that the environmental impact of the Group will continue to increase however in the current year and for the foreseeable future the environmental impact is infinitesimal. Until the Group is able to enter into the commercial production phase of any of its prototypes than any environmental impact will remain materially insignificant.

The Board recognises the growing focus on climate-related disclosures and environmental governance in UK markets. While the Company, as an AQSE Growth Market issuer, is not subject to the FCA's Listing Rules on climate reporting, the Board will continue to monitor developments in this area and consider proportionate disclosures as appropriate to the business.

## **Principle Five**

### *Risk Management*

The Board is responsible for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the risks faced by the Group. It is in the process of establishing a framework of internal financial controls to address financial risk and regularly reviews the non-financial risks to ensure all exposures are adequately managed. The Group maintains appropriate insurance cover in respect of legal actions against the Directors. The principal risks and uncertainties are as set out in the Strategic Report.

### Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use.

Key financial controls include:

- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Group.
- Involvement of independent contractors to oversee transactions and other business matters

### External Auditor

The Group has re-appointed Edwards Veeder as auditors to the Group. The Board will meet with the auditor at least once a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Group and its external auditor.

The Group has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. As part of the decision to recommend the appointment of the external auditor, the Board considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. The Companies auditors currently remain within the ethical permitted amounts and there have not been any breaches. There are no contractual obligations restricting the board's choice of external auditor.

## **Principle Six**

### *A Well-Functioning Board of Directors*

The Board will maintain a balance of executives and non-executive directors. Currently there are two independent non-executives including the non-Executive Chairman. The QCA code requires independent non-executive Directors to make up at least half of the Board. Due to various changes within the Company during the year and post period end, this has been challenging to maintain. However, the Board are committed to recruiting and retaining experienced executive Directors to restore an appropriate balance to the Board, in line with the requirements of the QCA Code.

The board composition and the complimentary skills of the executive team are regularly reviewed to ensure the most efficient team to take the Group forward. There are no mandatory hours for Directors to be available for the business of the Group however over the year they have evidenced their willingness to meet whenever necessary.

Further information about the directors and key personnel can be found at the Company website at <https://hydrogenfutureindustries.com/>. The Directors met 13 times throughout the year to discuss key issues and to monitor the overall performance of the Group. All Directors attended all meetings during the year.

## **Principle Seven**

### *Appropriate Skills and Experience of the Directors*

The Group believes that the Directors have wide ranging experience with which they can suitably run and advise the Group on executing its business strategy. They also have an extensive network of relationships to reach key decision-makers to help achieve their strategy. Overall, the Board has a well-balanced skill set to effectively manage the Group as they look to realise their goals.

## **Principle Eight**

### *Evaluation of Board Performance*

Internal evaluation of the Board, the Committees and individual Directors will be undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance against targets and objectives. As a part of the appraisal the appropriateness and opportunity for continuing professional development whether formal or informal is discussed and assessed.

## **Principle Nine**

### *Remuneration policy*

No remuneration committee has been established with all matters to be considered by the Board as a whole. The Board determines the level and structure of remuneration for both Directors and key management personnel, including terms of service and the grant of share options, with due regard to the interests of shareholders and the long-term success of the Company. The Board is committed to ensuring that remuneration arrangements are simple, transparent, and aligned with the Company's strategic objectives and shareholder values. The Company does not currently award performance-related pay to Non-Executive Directors, and any future consideration of such will be subject to prior shareholder consultation.

Given the Companies size the Board will not undertake binding votes on remuneration policy however it remains committed to maintaining transparent dialogue with shareholders on all material remuneration matters.

## **Principle Ten**

### *Shareholder Communication*

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders in compliance with regulations applicable to companies quoted on the AQUIS growth segment. All shareholders are encouraged to attend the Company's Annual General Meeting where they will be given the opportunity to interact with the Directors. Investors also have access to current information on the Group through its website, (<https://hydrogenfutureindustries.com>).

The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity to pro-actively engage with all shareholders and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Group.

The Group uses a regulatory news service and its corporate website <https://hydrogenfutureindustries.com/> to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The Annual General Meeting is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Financial Statements. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

#### **Statement of directors' responsibilities**

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards for the group and, as regards to the Parent Company Financial Statements, as applied in accordance with the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the profit and loss of the Group for that year.

In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Ensure statements comply with UK adopted International Accounting Standards in conformity with the Companies Act 2006 for the year; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The financial statements are published on the Group's website <https://hydrogenfutureindustries.com/>. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

#### **Neil Ritson**

Non-Executive Chairman

29 January 2026

Independent auditor's report to the members of Energy B Plc (formerly known as Hydrogen Future Industries Plc)

#### **Qualified opinion**

We have audited the consolidated financial statements of Energy B Plc (formerly known as Hydrogen Future Industries Plc) (the 'parent company') and its subsidiaries ('the group') for the year ended 31 July 2025 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Parent Company Statement of Financial Position, Consolidated Statement of Change in Equity, Parent Statement of Change in Equity, Consolidated Statement of Cashflow, Parent Statement of Cashflow and notes to the consolidated financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is applicable law UK adopted international accounting standards.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the financial statements:

- the consolidated 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 July 2025 and of the group's loss for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the consolidated financial statements have been prepared in accordance with the requirements of the

Companies Act 2006; and, as regards the consolidated financial statements, Article 4 of the IAS Regulation.

### **Basis for qualified opinion**

#### Intangible assets

We have not yet obtained sufficient and appropriate audit evidence to satisfy ourselves as to (i) the recoverability of intangible assets of approximately GBP627,000 as at 31 July 2025; (ii) amortisation of intangible assets of approximately GBP22,000 for the year ended 31 July 2025 is properly recorded in that year; and (iii) the related disclosure of intangible assets disclosed in the note to the consolidated financial statements.

Any adjustments to the above figures might have a significant consequential effect on the consolidated financial performance for the year ended 31 July 2025 and the financial position of the group and the company as at 31 July 2025, and the related disclosures thereof in the financial statements.

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 consolidated financial Statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the UK, including the FRC's Ethical Standard, 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 qualified opinion.

#### Material uncertainty related to going concern

We draw attention to note 2.3 in the consolidated financial statements, which mentions that the group incurred a loss and operating cash outflow approximately GBP645,000 and GBP111,000 for the year ended 31 July 2025, respectively. These conditions indicate a material uncertainty which may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the consolidated financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's consolidated financial statements projections which covered a period of at least 12 months from the date of approval of the consolidated financial statements.
- Challenging management on the assumptions underlying those projections particularly on the nature and timing of forecast cash inflows.
- Obtaining the latest management accounts post period end to benchmark how the group is performing toward achieving the forecast.
- Assessing the completeness and accuracy of the matter described in the going concern disclosure within the significant accounting policies as set out on note 2.3.

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated 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. We have determined that there are no key audit matters to communicate in our report.

#### Our approach to the audit

Our scoping of the company audit was tailored to enable us to give an opinion on the financial statements as a whole. The company was subject to a full scope audit.

#### Our application of 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 financial statements as a whole to be approximately GBP13,000, based on 2% of total assets.

We used 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 GBP8,000 for the group and the parent.

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

We agreed to report to it all identified errors in excess of approximately GBP1,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

#### Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 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.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company 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 the Companies Act 2006 together with the UK adopted international accounting standards. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), taxation legislation, and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors' and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within judgement and estimates, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Council about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we 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 standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less

likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

#### 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.

Lee Lederberg FCCA (Senior Statutory Auditor)

For and on behalf of

Edwards Veeder (UK) Limited

Chartered accountants & statutory auditor

4 Broadgate Boardway Business Park

Chadderton, Oldham OL9 9XA

Date: 29 January 2026

## CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION

### AS AT 31 JULY 2025

		Group		Company	
	Notes	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>Non-Current Assets</b>					
Property, plant and equipment	10	2	20	-	-
Intangible assets	11	627	641	-	-
Right-of-use assets	12	-	41	-	41
Investments in an associate	13	-	19	-	19
Intercompany receivables	26	-	-	6	34
<b>Total Non-Current Assets</b>		<b>629</b>	<b>722</b>	<b>6</b>	<b>94</b>
<b>Current Assets</b>					
Trade and other receivables	16	20	40	19	40
Cash and cash equivalents	17	24	13	24	11
<b>Total Current Assets</b>		<b>44</b>	<b>53</b>	<b>43</b>	<b>51</b>
<b>Total Assets</b>		<b>673</b>	<b>775</b>	<b>49</b>	<b>145</b>
<b>Current Liabilities</b>					
Trade and other payables	18	519	97	368	84
Lease liabilities	12	-	43	-	43
Borrowings	19	203	65	171	65
<b>Total Current Liabilities</b>		<b>722</b>	<b>205</b>	<b>539</b>	<b>192</b>
<b>Total Liabilities</b>		<b>722</b>	<b>205</b>	<b>539</b>	<b>192</b>
<b>Net Assets/(Liabilities)</b>		<b>(49)</b>	<b>570</b>	<b>(490)</b>	<b>(47)</b>
<b>Equity attributable to owners of the Parent</b>					
Share capital	21	647	618	647	618
Share premium	21	4,092	4,075	4,092	4,075
Share based payment	22	92	91	92	91
Foreign exchange reserve		-	21	-	-

Accumulated losses	(4,871)	(4,226)	(5,321)	(4,831)
Non-controlling interest	(9)	(9)	-	-
<b>Total Equity</b>	<b>(49)</b>	<b>570</b>	<b>(490)</b>	<b>(47)</b>

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account. During the year ended 31 July 2025, the Company made a loss for the year of approximately £490,000 (2024: £3,953,000).

The financial statements were approved and authorised for issue by the Board of Directors on 29 January 2026 and were signed on its behalf by:

**Neil Ritson**

Non-Executive Chairman

The Notes form part of these financial statements

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 JULY 2025**

<b>Continuing Operations</b>	Note	<b>For the year ended 30 June 2025 £'000</b>	For the period ended 31 July 2024 £'000
Revenue from continuing operations		-	-
Administration expenses	6	(695)	(949)
Gain on disposal of subsidiary	15	69	-
Early termination of lease		1	-
Other gains		1	-
<b>Operating loss</b>		<b>(624)</b>	<b>(949)</b>
Finance expenses		(2)	(4)
Share of loss of equity accounted associate		-	(10)
Impairment of an associate	13	(19)	(84)
<b>Loss before taxation</b>		<b>(645)</b>	<b>(1,047)</b>
Corporation tax	9	-	-
<b>Loss for the year from continuing operations</b>		<b>(645)</b>	<b>(1,047)</b>
<b>Items that may be reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations		2	3
Exchange differences reclassified to profit or loss on disposal of foreign subsidiaries		(23)	-
<b>Total comprehensive loss for the year</b>		<b>(666)</b>	<b>(1,044)</b>
<b>Loss for the year attributable to:</b>			
Owners of the parent		(645)	(1,038)
Non-controlling interest		-	(9)
		<b>(645)</b>	<b>(1,047)</b>
<b>Total comprehensive loss for the year attributable to:</b>			
Owners of the parent		(666)	(1,035)
Non-controlling interest		-	(9)
		<b>(666)</b>	<b>(1,044)</b>
<b>Loss per share (pence) - basic and diluted</b>	23	<b>(1.02)</b>	<b>(1.90)</b>

The Notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 31 JULY 2025**

Attributable to Equity Shareholders - Group

Notes	Share capital £'000	Share premium £'000	Share based payment £'000	Foreign exchange reserve £'000	Accumulated losses £'000	Non-controlling interest £'000	Total equity £'000
<b>As at 1 August 2023</b>	478	3,482	44	18	(3,213)	-	809
Loss for the year	-	-	-	-	(1,038)	(9)	(1,047)
Exchange differences on translation of foreign operations	-	-	-	3	-	-	3
<b>Total comprehensive loss for the year</b>	-	-	-	3	(1,038)	(9)	(1,044)
<b>Transactions with owners:</b>							
Ordinary shares issued in the year	140	648	66	-	-	-	854
Employee options issued	-	-	1	-	-	-	1
Consideration of intangible assets	-	-	5	-	-	-	5
Forfeiture of share warrants	-	-	(25)	-	25	-	-
Share issue costs	-	(55)	-	-	-	-	(55)
<b>Total transactions with owners</b>	<b>140</b>	<b>593</b>	<b>47</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>805</b>
<b>As at 31 July 2024</b>	<b>618</b>	<b>4,075</b>	<b>91</b>	<b>21</b>	<b>(4,226)</b>	<b>(9)</b>	<b>570</b>
<b>As at 1 August 2024</b>	<b>618</b>	<b>4,075</b>	<b>91</b>	<b>21</b>	<b>(4,226)</b>	<b>(9)</b>	<b>570</b>
Loss for the year	-	-	-	-	(645)	-	(645)
Exchange differences on translation of foreign operations	-	-	-	2	-	-	2
Exchange differences reclassified to profit or loss on disposal of foreign subsidiaries	-	-	-	(23)	-	-	(23)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21)</b>	<b>(645)</b>	<b>-</b>	<b>(666)</b>
<b>Transactions with owners:</b>							
Ordinary shares issued in the year	29	17	-	-	-	-	46
Employee options issued	-	-	1	-	-	-	1
<b>Total transactions with owners</b>	<b>29</b>	<b>17</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47</b>
<b>As at 31 July 2025</b>	<b>647</b>	<b>4,092</b>	<b>92</b>	<b>-</b>	<b>(4,871)</b>	<b>(9)</b>	<b>(49)</b>

The Notes form part of these financial statements.

**PARENT STATEMENT OF CHANGES IN EQUITY**

**AS AT 31 JULY 2025**

Notes	Share capital £'000	Share premium £'000	Share based payment £'000	Accumulated losses £'000	Total equity £'000
<b>As at 1 August 2023</b>	478	3,482	44	(903)	3,101
Loss for the year	-	-	-	(3,953)	(3,953)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,953)</b>	<b>(3,953)</b>

**Transactions with owners:**

Ordinary shares issued in the year	140	648	66	-	854
Employee options issued	-	-	1	-	1
Consideration of subsidiary intangible assets	-	-	5	-	5
Forfeiture share warrants	-	-	(25)	25	-
Share issue costs	-	(55)	-	-	(55)
<b>Total transactions with owners</b>	<b>140</b>	<b>593</b>	<b>47</b>	<b>25</b>	<b>805</b>
<b>As at 31 July 2024</b>	<b>618</b>	<b>4,075</b>	<b>91</b>	<b>(4,831)</b>	<b>(47)</b>

<b>As at 1 August 2024</b>	<b>618</b>	<b>4,075</b>	<b>91</b>	<b>(4,831)</b>	<b>(47)</b>
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Loss for the year	-	-	-	(490)	(490)
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<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(490)</b>	<b>(490)</b>
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**Transactions with owners**

Ordinary shares issued in the year	29	17	-	-	46
Employee options issued	-	-	1	-	1
<b>Transactions with owners</b>	<b>29</b>	<b>17</b>	<b>1</b>	<b>-</b>	<b>47</b>
<b>As at 31 July 2025</b>	<b>647</b>	<b>4,092</b>	<b>92</b>	<b>(5,321)</b>	<b>(490)</b>

The Notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASHFLOWS****FOR THE YEAR ENDED 31 JULY 2025**

	Notes	Group		Company	
		Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>Cash flows from operating activities</b>					
Loss after taxation		(645)	(1,047)	(490)	(3,953)
Adjustments for:					
Finance expenses		2	4	2	4
Share based payments	22	1	1	1	1
Depreciation & amortisation		40	61	18	31
Share of loss of equity accounted associate		-	10	-	10
Impairment of associate	13	19	84	19	84
Impairment loss		-	-	12	3,490
Gain on disposal of subsidiary	15	(69)	-	-	-
Gain on early termination of lease	12	(1)	-	(1)	-
Decrease/(increase) in trade and other receivables		20	27	53	(15)
Increase/(decrease) in trade and other payables		522	(5)	284	5
<b>Net cash used in operating activities</b>		<b>(111)</b>	<b>(865)</b>	<b>(102)</b>	<b>(343)</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		-	(3)	-	-
Cash unrecognised on disposal of subsidiary		(9)	-	-	-
Investment in associate		-	(20)	-	(20)
Purchase of intangible assets		(3)	(8)	-	-
<b>Net cash used in investing activities</b>		<b>(12)</b>	<b>(31)</b>	<b>-</b>	<b>(20)</b>
<b>Cash flows from financing activities</b>					
Proceeds from issue of shares	21	46	660	46	660
Loan to subsidiaries		-	-	(16)	(520)
Share issue costs		-	(55)	-	(55)

Lease liabilities		(21)	(28)	(21)	(28)
Proceeds of borrowings		106	65	106	65
<b>Net cash used in financing activities</b>		<b>131</b>	<b>642</b>	<b>115</b>	<b>122</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8</b>	<b>(254)</b>	<b>13</b>	<b>(241)</b>
Cash and cash equivalents at beginning of year		13	262	11	248
Foreign exchange effects on cash balance		3	5	-	4
<b>Cash and cash equivalents at end of year</b>	<b>17</b>	<b>24</b>	<b>13</b>	<b>24</b>	<b>11</b>

The Notes form part of these financial statements.

## ACCOUNTING POLICIES

### 1. General Information

The Company was incorporated on 13 July 2021 in England and Wales with Registered Number 13508782 under the Companies Act 2006. The principal activity of the Group is as a developer of proprietary wind-based green hydrogen production systems. The Group is currently in the research and development phase with the aims to look to begin producing a commercially viable product in the short to near future.

The address of its registered office is 6 Heddon Street, London, W1B 4BT, United Kingdom.

The Group commenced trading on the Aquis Stock Exchange ("AQSE") Growth Market on 1 December 2021.

### 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the Group and Company financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### 2.1 Basis of Preparation of Financial Statements

The financial statements of the Group and Company have been prepared in accordance with UK-adopted international accounting standards (the "IFRS") in accordance with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention as measured by the investments which are carried at their fair value.

The financial statements of the Group and Company are presented in Pounds Sterling ("£") rounded to the nearest £'000.

The preparation of financial statements of the Group and Company in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

#### 2.2 Changes in accounting policy and disclosures

*(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 31 July 2025.*

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the year ended 31 July 2025 but did not result in any material changes to the financial statements of the Group.

*b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted*

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 9 (Amendments)	Classification and Measurement of Financial Instruments	1 January 2026

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on future Group financial statements.

### 2.3 Going Concern

The Group incurred a loss for the year of approximately £645,000 and net cash operating inflow of approximately £8,000 for the year ended 31 July 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group has cash and cash equivalents of approximately £24k (2024: £13K). The Directors have prepared detailed forecasts and analysis that account for their best estimate of committed expenditure, expected fundraising and are of the view this is sufficient to fund the Group's expenditure over the next 12 months from the date of approval of these financial statements.

The directors are therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

### 2.4 Segment analysis

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### 2.5 Foreign Currencies

#### (i) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

#### (ii) Translation on consolidation

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses 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 exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### 2.6 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 July each year. Per IFRS 10, control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a

majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

## 2.7 Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

When the Group acquires any plant and equipment it is stated in the accounts at its cost of acquisition less depreciation and any impairments.

Depreciation is charged to write off the costs less estimated residual value of plant and equipment on a straight line basis over their estimated useful lives being:

- Plant and equipment      5 - 7 years
- Computer & IT equipment      3 years

Estimated useful lives and residual values are reviewed each year and amended as required.

## 2.9 Intangible Assets

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold
- adequate resources are available to complete the development
- there is an intention to complete and sell the product
- the Group is able to sell the product
- sale of the product will generate future economic benefits, and - expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the Group expects to benefit from selling the products developed. The amortisation expense is included within the administrative expenses, in the consolidated statement of comprehensive income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as research and development costs as incurred.

#### *Patents*

During the prior year the Group acquired a suite of international patents related to the development of its wind and water-based hydrogen production systems. Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives.

Amortisation is charged to write off the cost less estimated residual value of patents on a straight-line basis over their estimated useful lives which are:

- Patents      30 years

Other intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). As of the end of the period none of the intangible assets show any indicators of impairment.

## **2.10 Financial instruments**

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

### a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss);
- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

### b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

### c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### *Debt instruments*

**Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

#### *Equity instruments*

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

### d) Impairment

The Company assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

### **2.11 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions.

### **2.12 Loss allowance for expected credit losses**

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables, contract assets and lease receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables, contract assets and lease receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

### **2.13 Trade and other payables**

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

### **2.14 Leases**

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In all instances the leases were discounted using the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period. Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than £5k) are recognised on a straight-line basis as an expense in profit or loss. The short-term lease exemption has been utilised by the Company in relation to property leases held in the US based subsidiary HFI Energy Systems US Inc. These leases are on a rolling month-month basis and hence there is no long-term commitment entered into.

### **2.15 Taxation**

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in

profit or loss 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. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised 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. 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, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group 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 Group intends to settle its current tax assets and liabilities on a net basis.

## **2.16 Equity**

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Retained losses includes all current and prior period results as disclosed in the income statement.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve except to the extent that the translation difference is allocated to non-controlling interests.

## **2.17 Earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 21).

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

## **2.18 Share Based Payments**

The Group issues equity-settled and cash-settled share-based payments to certain employees and advisors. Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an

expense.

## 2.19 Related parties

- a. A related party is a person or entity that is related to the Group.
  - i. A person or a close member of that person's family is related to the Group if that person:
    - ii. has control or joint control over the Group;
    - iii. has significant influence over the Group; or
    - iv. is a member of the key management personnel of the Company or of a parent of the Company.
- b. An entity is related to the Group if any of the following conditions applies:
  - I. The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - II. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - III. Both entities are joint ventures of the same third party.
  - IV. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - V. The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
  - VI. The entity is controlled or jointly controlled by a person identified in (A).
  - VII. A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - VIII. The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

## 2.20 Impairment of assets

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

## 2.21 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

## 2.22 Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the

reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

### 3. Financial Risk Management

#### Principal financial instruments

##### Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The overall strategy of the Company and the Group is to minimise costs and liquidity risk while simultaneously executing its business strategy.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, share premium, foreign exchange reserves and retained earnings as disclosed in the Consolidated Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are credit, foreign exchange and liquidity risks.

The management of these risks is vested to the Board of Directors. The sensitivity has been prepared assuming the liability outstanding was outstanding for the whole year. In all cases presented, a negative number in profit and loss represents an increase in expense/decrease in income.

##### General objectives and policies

As alluded to in the Directors report the overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are detailed below.

#### Principal financial instruments

The principal financial instruments used by the Group from which the financial risk arises are as follows:

##### *Policy on financial risk management*

The Group's principal financial instruments comprise cash and cash equivalents, other receivables, trade and other payables. The Group's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 2 - "Accounting Policies".

The Group does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

##### *Derivatives, financial instruments and risk management*

The Group does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

##### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group's exposure and the credit ratings of its counterparties are monitored by the Board of Directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The Group applies IFRS 9 to measure expected credit losses for receivables, these are regularly monitored and assessed. Receivables are subject to an expected credit loss provision when it is probable that amounts outstanding are not recoverable as set out in the accounting policy.

The Group's principal financial assets are cash and cash equivalents. Cash equivalents include amounts held on deposit with financial institutions.

The credit risk on liquid funds held in current accounts and available on demand is limited because the Group's counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Group has zero trade receivables and therefore there is no risk relating to a 3<sup>rd</sup> party being unable to service its obligations.

No financial assets have indicators of impairment.

##### Liquidity risk

During the year ended 31 July 2025, the Group was financed by cash raised through equity funding. Funds raised surplus to immediate requirements are held as cash deposits in Sterling except for minor working capital requirements held in subsidiary bank accounts.

In managing liquidity risk, the main objective of the Group is to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The table below shows the undiscounted cash flows on the Group's financial liabilities as at 31 July 2025 on the basis of their earliest possible contractual maturity.

Total	Within 1 year
£'000	£'000

**At 31 July 2024**

Trade payables and other payables	97	97
Borrowings	65	65
	<b>162</b>	<b>162</b>

<b>Total</b>	<b>Within 1 year</b>
<b>£'000</b>	<b>£'000</b>

**At 31 July 2025**

Trade payables and other payables	519	519
Borrowings	203	203
	<b>722</b>	<b>722</b>

**4. Critical Accounting Estimates and Judgements***Critical judgement in applying accounting policies*

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements

Going concern basis

These financial statements have been prepared on a going concern basis, the validity of which depends upon the financial support of the controlling shareholder at a level sufficient to finance the working capital requirements of the Group. Details are explained in note 2.3 to financial statements

Impairment of intangible assets

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

Impairment of investments and loans to subsidiaries

The Group and the Company assess at each reporting date whether there is any objective evidence that investments in and loans to subsidiaries are impaired. To determine whether there is objective evidence of impairment, a considerable amount of estimation is required in assessing the ultimate realisation of these investments/receivables, including valuation, creditworthiness and future cashflows. As at the year end the Directors do not assess there to be any impairment of these amounts.

**5. Segmental Information**

During the year, the Group managed its operations in two segments. The first being the development of proprietary wind and water-based green hydrogen production systems primarily in North America and is derived from the results of HFI Energy Systems (US). The second being the corporate functions in the United Kingdom which is derived from the results of energy B plc and its remaining subsidiaries. The results of these segments are regularly reviewed by the Board as a basis for the allocation of resources and to assess their performance.

On 10 May 2025, the Company signed a declaration of trust to transfer its interest in its wholly owned subsidiary in North America, retaining no interest in the entity. The profit and loss for this entity has been included within the consolidated figures up until this date.

The Group generated no revenue during the year ended 31 July 2025 (2024: £0)

<b>2025</b>	<b>United Kingdom £'000</b>	<b>North America £'000</b>	<b>Consolidated £'000</b>
Revenue from continuing operations		-	-
Administration expenses	(622)	(73)	(695)
Gain on disposal of subsidiary	69	-	69
Early termination of lease	1	-	1
Other gains	1	-	1
<b>Operating loss</b>	<b>(551)</b>	<b>(73)</b>	<b>(624)</b>
Finance expenses	(2)	-	(2)
Share of loss of equity accounted associate	-	-	-
Impairment of an associate	(19)	-	(19)

<b>Loss before taxation</b>	<b>(572)</b>	<b>(73)</b>	<b>(645)</b>
Reportable segment assets	673	-	673
Reportable segment liabilities	722	-	722

## 6. Expenses by Nature

Administrative expense for the Group are detailed below:

	<b>Group</b>	
	<b>For the year ended 31 July 2025 £'000</b>	<b>For the period ended 31 July 2024 £'000</b>
Directors fees	(150)	(66)
Professional fees	(266)	(243)
Research and development	-	(185)
Share based payments	(1)	(1)
Depreciation and amortisation	(40)	(61)
Salaries and wages	(146)	(200)
Insurance	(13)	(16)
Foreign exchange	(6)	(8)
Travel and business development	(1)	(25)
Other expenses	(72)	(144)
<b>Total administrative expenses</b>	<b>(695)</b>	<b>(949)</b>

## 7. Audit Remuneration

	<b>For the year ended 31 July 2025 £'000</b>	<b>For the period ended 31 July 2024 £'000</b>
Fees payable to the Group's auditors for the audit of the Group financial statements	30	28
	<b>30</b>	<b>28</b>

## 8. Employees

The average number of persons employed by the Group (including Directors) during the year ended 31 July 2025 was:

	<b>No of employees 2025</b>	<b>No of employees 2024</b>
Management	5	5
	<b>5</b>	<b>5</b>

The aggregate payroll costs of these persons (including Directors) were as follows:

	<b>£'000</b>	<b>£'000</b>
Management	319	266
Research and development (technical staff)	-	-
	<b>319</b>	<b>266</b>

## 9. Taxation

A reconciliation of the value from the statement of comprehensive income is detailed below:

	<b>Year ended</b>		<b>Year ended</b>	
	<b>31 July 2025</b>	<b>£'000</b>	<b>2024</b>	<b>£'000</b>
Corporation tax on the results for the year	-	-	-	-

A reconciliation of tax charge is provided below:

Loss before taxation per the financial statements	(645)	(1,047)
Costs disallowed for tax purposes	11	155
Tax credit at the weighted average of the standard rate of corporation tax in UK of 25% (31 July 2024: 25%)	(159)	(223)
Current year losses for which no deferred tax asset is recognised	159	223
Income tax charge for the year	-	-

The Company has total carried forward losses of approximately £2,914,000 (2024: £2,472,000). The taxed value of the unrecognised deferred tax asset is approximately £729,000 (2024: £618,000) and these losses do not expire. No deferred tax assets in respect of tax losses have not been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

## 10. Property, Plant and Equipment

	PP&E £'000	Total £'000
<b>Cost</b>		
Opening balance	33	33
Additions in the year	3	3
<b>At 31 July 2024</b>	<b>36</b>	<b>36</b>
Additions in the year	-	-
Fixed assets unrecognised upon sale of subsidiary	(31)	(31)
<b>At 31 July 2025</b>	<b>5</b>	<b>5</b>
<b>Depreciation</b>		
Opening balance	8	8
Charge for the year	8	8
<b>At 31 July 2024</b>	<b>16</b>	<b>16</b>
Charge for the year	5	5
Fixed assets unrecognised upon sale of subsidiary	(18)	(18)
<b>At 31 July 2025</b>	<b>3</b>	<b>3</b>
<b>Net book value 31 July 2024</b>	<b>20</b>	<b>20</b>
<b>Net book value 31 July 2025</b>	<b>2</b>	<b>2</b>

## 11. Intangible Assets

	Patents £'000	Total £'000
<b>Cost</b>		
Opening balance	492	492
Additions in the year	187	187

<b>At 31 July 2024</b>	<b>679</b>	<b>679</b>
Additions in the year	3	3
<b>At 31 July 2025</b>	<b>682</b>	<b>682</b>
<b>Amortisation</b>		
Opening balance	(16)	(16)
Charge for the year	(22)	(22)
<b>At 31 July 2024</b>	<b>(38)</b>	<b>(38)</b>
Charge for the year	(17)	(17)
<b>At 31 July 2025</b>	<b>(55)</b>	<b>(55)</b>
<b>Net book value 31 July 2024</b>	<b>641</b>	<b>641</b>
<b>Net book value 31 July 2025</b>	<b>627</b>	<b>627</b>

On 5 October 2022 the Group successfully completed the acquisition of a suite of international patents which are relevant to the systems being developed by the Company. The Board believes the patents may have commercial applications within both the Group's future wind based green hydrogen production systems and the wider wind energy generation sector.

## 12. Leases

### Company

	As at 31 July 2025 £'000	As at 31 July 2024 £'000
<i>Right-of-use assets</i>		
Motor vehicles	-	7
Property	-	34
	-	<b>41</b>
<i>Lease liabilities</i>		
Current	-	43
Non-current	-	-
	-	<b>43</b>

### Right of use assets

A reconciliation of the carrying amount of the right-of-use asset is as follows:

	As at 31 July 2025 £'000	As at 31 July 2024 £'000
<i>Motor vehicles</i>		
Opening balance	7	15
Additions	-	-
Depreciation	-	(8)
Early termination	(7)	-
	-	<b>7</b>
<i>Property</i>		
Opening balance	34	57
Additions	-	-
Depreciation	(18)	(23)
Early termination	(16)	-

	-	34
<b>Total</b>	-	41

On 31 May 2025 the Company terminated its lease in respect of the Toyota Mirai and on 1 August 2024 the company terminated its lease in respect of Birmingham lease. The Toyota Mirai termination required the Company to forfeit the deposit held with the lender. The Company has recognised a loss on disposal of approximately £1,000 in respect of the lease terminations.

#### Lease liabilities

A reconciliation of the carrying amount of the lease liabilities is as follows:

	As at 31 July 2025 £'000	As at 31 July 2024 £'000
Opening balance	43	67
Additions	-	-
Repayments	(21)	(28)
Finance charge	2	4
Disposal	(24)	-
	-	43

#### 13. Investment in an associate

The following entities have been included in the prior year financial statements using the equity method:

	Country of incorporation	Proportion of ownership interest held as at 31 July 2024
Tower Green Holdings Limited <sup>1</sup>	United Kingdom	15%

On 23 January 2023 the Group acquired a 20% interest in Tower Green Holdings Limited ("TGH") over which the Group has determined that it holds significant influence as:

- HFI & TGH have one mutual director
- Material shareholding of 20%

Based on this the Group considered that they had the power to exercise significant influence. On 11<sup>th</sup> July 2024 TGH issued additional ordinary shares and diluted HFIs holdings to 15%. Although the Group held less than 20% of the voting power of Tower Green Holdings Limited the Group concluded that it exercised significant influence over TGH because the Group has one director out of the five directors of TGH.

On 6 February 2025, the director in common resigned from the board of TGH and the Group concluded that it no longer had significant influence over TGH. On the same date, management considered the investment in TGH to be impaired in full.

Carrying value of investment as at 31 July 2024	19
Impairment	(19)
<b>Carrying value of investment as at 31 July 2025</b>	<b>-</b>

#### 14. Investments in Subsidiary Undertakings

Details of subsidiaries at 31 July 2025 are as follows:

--	--	--	--	--

Name of subsidiary	Registered Office	Country of Incorporation	Proportion of ordinary shares held by parent (%)	Nature of business
HFI Energy Systems Ltd	6 Heddon Street, London, W1B 4BT	United Kingdom	100%	Research & development
HFI IP Holdings Ltd	6 Heddon Street, London, W1B 4BT	United Kingdom	100%	IP holding company
HFI Development Ltd	6 Heddon Street, London, W1B 4BT	United Kingdom	100%	Research & development
HFI Consulting Ltd	6 Heddon Street, London, W1B 4BT	United Kingdom	100%	Consulting
HFI Ireland	Lavelle Partners LLP, St James House, Adelaide Road, Dublin 2	Ireland	70%	Research & Development

#### 15. Disposal of subsidiary

On 10<sup>th</sup> May 2025, the Company signed a declaration of trust to transfer its interest in its wholly owned subsidiary, HFI Energy Systems (US), to the Company's CEO, retaining no interest in the entity and with no consideration.

	£'000
Cash consideration received	-
Carrying amount of net liabilities of subsidiary disposed (below)	46
<b>Profit on disposal before income tax and reclassification of foreign currency translation reserve</b>	<b>46</b>
Reclassification of foreign currency translation reserve	23
Income tax expense on profit from disposal	-
<b>Net total gain on sale after income tax</b>	<b>69</b>

The carrying amounts of assets and liabilities as at the date of disposal (10 May 2025) were:

	10 May 2025 £'000
Property, plant and equipment	13
Cash and cash equivalents	9
<b>Total assets of disposal group</b>	<b>22</b>
Borrowings	(2)
Trade and other payables	(66)
<b>Total liabilities of disposal group</b>	<b>(68)</b>
<b>Net liabilities of disposal group</b>	<b>46</b>

#### 16. Trade and Other Receivables

	Group		Company	
	As at 31 July 2025 £'000	As at 31 July 2024 £'000	As at 31 July 2025 £'000	As at 31 July 2024 £'000
Prepayments	7	17	6	17
Lease deposit	-	13	-	13

VAT receivable	13	5	13	5
Other receivables	-	5	-	5
	<b>20</b>	<b>40</b>	<b>19</b>	<b>40</b>

#### 17. Cash and Cash Equivalents

	Group		Company	
	As at 31 July 2025 £'000	As at 31 July 2024 £'000	As at 31 July 2025 £'000	As at 31 July 2024 £'000
Cash at bank and in hand	24	13	24	11

#### 18. Trade and Other Payables

	Group		Company	
	As at 31 July 2025 £'000	As at 31 July 2024 £'000	As at 31 July 2025 £'000	As at 31 July 2024 £'000
Trade payables	102	66	90	48
Other payables	155	-	88	3
Accrued expenses	105	34	105	32
Employer obligations	157	2	85	1
	<b>519</b>	<b>97</b>	<b>368</b>	<b>84</b>

#### 19. Borrowings

	Group		Company	
	As at 31 July 2025 £'000	As at 31 July 2024 £'000	As at 31 July 2025 £'000	As at 31 July 2024 £'000
Director's loan	171	65	171	65
Borrowings	32	-	-	-
	<b>203</b>	<b>65</b>	<b>171</b>	<b>65</b>

Director's loan relates to funds paid by the Neil Ritson and Dan Maling to fund working capital requirements of the business. The Loan was paid in multiple tranches through the year. The loan is interest free, unsecured and repayable within 1 year.

Borrowings relates to fees covered by solicitors paid out of HFI Ireland to energy B Plc regarding licensing fees.

#### 20. Financial Instruments

	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
<b>At 31 July 2025</b>			
Trade and other receivables*	13	-	13
Cash and cash equivalents	24	-	24
Trade and other payables	-	(519)	(519)
Borrowings	-	(203)	(203)
	<b>37</b>	<b>(722)</b>	<b>(685)</b>

	Financial assets at amortised cost £'000	Financial liabilities at amortised cost £'000	Total £'000
<b>At 31 July 2024</b>			
Trade and other receivables*	23	-	23
Cash and cash equivalents	13	-	13
Trade and other payables	-	(84)	(84)
Borrowings	-	(65)	(65)
	<b>36</b>	<b>(149)</b>	<b>(113)</b>

\*Trade and other receivables exclude prepayments

## 21. Share Capital and Share Premium

	Ordinary shares	Share capital £'000	Share premium £'000	Total £'000
<b>At 31 July 2023</b>	<b>47,750,000</b>	<b>478</b>	<b>3,482</b>	<b>3,960</b>
Issue of ordinary shares <sup>1</sup>	1,750,000	17	157	174
Issue of ordinary shares <sup>2</sup>	11,050,000	111	443	554
Issue of ordinary shares <sup>3</sup>	1,200,000	12	48	60
Share issue costs	-	-	(55)	(55)
<b>As at 31 July 2024</b>	<b>61,750,000</b>	<b>618</b>	<b>4,075</b>	<b>4,693</b>
Issue of ordinary shares <sup>4</sup>	2,906,250	29	17	46
<b>As at 31 July 2025</b>	<b>64,656,250</b>	<b>647</b>	<b>4,092</b>	<b>4,739</b>

<sup>1</sup> On 5 May 2024 1,750,000 ordinary shares were issued at 10p as the second tranche of consideration for the patents acquired by the Company

<sup>2</sup> On 20 February 2024 11,500,00 ordinary shares were issued at 5p per share for total proceeds of £553,000

<sup>3</sup> On 8 April 2025 1,200,000 ordinary shares were issued at 5p per share for total proceeds of £60,000

<sup>4</sup> On 31 January 2025, 2,906,250 ordinary shares were issued at 1.6p per share for total net proceeds of approximately £46,000.

There is currently an authorised share capital limit in place for the Company which is subject to review at the next Annual General Meeting.

## 22. Share Based Payments

	Company £'000	Group £'000
<b>At 31 July 2023</b>	<b>44</b>	<b>44</b>
Vesting of employee options	1	3
Acquisition of patents	5	5
Broker warrants issued	66	66
Lapsed warrants	(25)	(25)
<b>At 31 July 2024</b>	<b>91</b>	<b>91</b>
Vesting of employee options	1	1
<b>As at 31 July 2025</b>	<b>92</b>	<b>92</b>

On 4 November 2022, the Company issued 6 million employee options to the directors, the CEO of HFI Energy Systems Ltd (Tim Blake) and a consultant. The options are exercisable at the price of £0.10 per ordinary share and are exercisable, either in whole or part, for a period of 5 years from the date of issue. All options vest immediately apart from 1.5 million options issued to Tim Blake which have separate performance conditions.

The estimated fair values of warrants & options which fall under IFRS 2, and the inputs used in the Black-Scholes pricing model to calculate those fair values are as follows:

Date of grant	Number of warrants	Share price	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividends
5 October 2022	1,625,000	£0.065	£0.12	15%	3	4.25%	0.00%
5 October 2023	875,000	£0.058	£0.12	40%	3	4.65%	0.00%
20 February 2024	5,525,000	£0.045	£0.05	47%	2	4.2%	0.00%
11 April 2024	600,000	£0.0375	£0.05	47%	2	4.2%	0.00%

Date of grant	Number of options	Share price	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividends
4 November 2022	6,000,000	£0.065	£0.10	15%	5	4.25%	0.00%

#### Warrants

As at 31 July 2025

	Weighted average exercise price	Number of warrants
Brought forward at 1 August 2024	6.25p	8,775,000
Lapsed during the year	-	-
Granted in year	-	-
Outstanding at 31 July 2025	6.25p	8,775,000
Exercisable at 31 July 2025	6.25p	8,775,000

The average weighted time to expiry of the warrants is 0.62 years.

#### Options

As at 31 July 2025

	Weighted average exercise price	Number of options
Brought forward at 1 August 2024	10p	6,000,000
Granted in year	-	-
Vested in year	-	-
Outstanding at 31 July 2025	10p	6,000,000
Exercisable at 31 July 2025	10p	4,500,000

The average weighted time to expiry of the options is 2.27 years

### 23. Loss per Share

The calculation of the basic and diluted loss per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the year.

	Audited Year ended 31 July 2025	Audited Year ended 31 July 2024
Net loss for the year attributable to ordinary equity holders for continuing operations (£'000)	(645)	(1,038)
Weighted average number of ordinary shares in issue	63,199,144	54,231,284
<b>Basic and diluted earnings per share for continuing operations (pence)</b>	<b>(1.02)</b>	<b>(1.90)</b>

There is no difference between the diluted loss per share and the basic loss per share presented. Share

options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented.

#### 24. Ultimate Controlling Party

The Directors believe there to be no ultimate controlling party.

#### 25. Capital Commitments/Contingent Liabilities

The Company does not have any other capital commitments or contingent liabilities at year end.

#### 26. Related Party Transactions

##### Company

	Company	Group	Company	Group
	31 July 2025	31 July 2024	31 July 2024	31 July 2023
	£'000	£'000	£'000	£'000
Loans to subsidiaries	6	-	34	-
	<b>6</b>	<b>-</b>	<b>34</b>	<b>-</b>

##### Related party - Consultants

Dr Nick Blake provides consulting services to the Company's US based subsidiary "HFI Energy Systems US Inc". Dr Nick Blake is the brother of the CEO of HFI Energy Systems Ltd and hence classified as a related party as defined in Note 2.19.a. Up to the period of loss of ownership of HFI US, Dr Nick Blake received consulting fees amounting to USD\$15,000 (2024: \$120,000) for consulting related specifically to the development of electrolyser prototype development.

##### Related party - Directors

Director's loans totalling approximately £171,000 (2024: £35,000) were made to the Company by Neil Ritson and Dan Maling to fund the working capital requirements of the business.

As disclosed in Note 15, the Company's holding in HFI Energy Systems (US) was transferred to Tim Blake on 10<sup>th</sup> May 2025.

#### 27. Events after the Reporting Date

On 26 September 2025, the Board announced a proposed pivot of the Company to a bitcoin treasury strategy which would sit alongside the existing operated technology business. Consistent with that new strategy the Board appointed three new executive directors; Alex Appleton, Sarah Gow and Pierre Villeneuve, to bring relevant expertise to the Board. Neil Ritson simultaneously stepped back into his previous role as Non-Executive Chairman.

On 6 October 2025 the Company conditionally raised gross proceeds of £400,000 through the conditional issue of 40 million new ordinary shares at a price of 1 pence per share.

In addition, the Company conditionally agreed to issue approximately 17.2 million new Ordinary Shares at 1 pence per share to settle creditor liabilities of approximately £172,000. The issue of these new shares and attached warrants was approved by shareholders at the Annual General Meeting held on 6 October 2025. Dan Maling retired as a director at the time of the Annual General Meeting.

A General Meeting subsequently held on 13 October 2025 approved the Company's new corporate strategy. In connection with this, the Company changed its name to energy B plc to reflect the revised strategic focus and undertook a 50 to 1 share consolidation to provide a capital structure intended to be more attractive to crypto currency focused investors.

A subsequent downturn in the bitcoin price led the newly appointed directors to conclude they would be unable to complete their proposed funding and cryptocurrency treasury policy, and they resigned from the Board without notice on 3 December 2025.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

-END-

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**About energy B**

energy B are developing a proprietary wind-based hydrogen production system, incorporating hydrogen compression and storage. The Company is at the forefront of green hydrogen production with its integrated system that marries an advanced ducted wind turbine with a state-of-the-art Hydrogen Electrolyser technology, currently owned and being developed by a related party. This innovative pairing is designed to optimise renewable Energy for the efficient production of hydrogen.

Visit our website: [www.hydrogenfutureindustries.com](http://www.hydrogenfutureindustries.com)

**Caution Regarding Forward Looking Statements**

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not a guarantee of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

**Important Notices**

The Company intends to hold treasury reserves and surplus cash in bitcoin. Bitcoin is a type of cryptocurrency or crypto asset. Whilst the Board of Directors of the Company considers holding bitcoin to be in the best interests of the Company, the Board remains aware that the financial regulator in the UK (the "Financial Conduct Authority" or "FCA") considers investment in bitcoin to be high risk. At the outset, it is important to note that an investment in the Company is not an investment in bitcoin, either directly or by proxy. However, the Board of Directors of the Company consider bitcoin to be an appropriate store of value and growth for the Company's reserves and, accordingly, the Company is materially exposed to bitcoin. Such an approach is innovative, and the Board of Directors of the Company wish to be clear and transparent with prospective and actual investors in the Company on the Company's position in this regard.

The Company is neither authorised nor regulated by the FCA and cryptocurrencies (such as bitcoin) are unregulated in the UK. As with most other investments, the value of bitcoin can go down as well as up, and therefore the value of bitcoin holdings can fluctuate. The Company may not be able to realise any future bitcoin exposure for the same as it paid in the first place or even for the value the Company ascribes to bitcoin positions due to these market movements. As bitcoin is unregulated, the Company is not protected by the UK's Financial Ombudsman Service or the Financial Services Compensation Scheme.

Nevertheless, the Board of Directors of the Company has taken the decision to invest in bitcoin, and in doing so is mindful of the special risks bitcoin presents to the Company's financial position. These risks include (but are not limited to): (i) the value of bitcoin can be highly volatile, with value dropping as quickly as it can rise. Investors in bitcoin must be prepared to lose all money invested in bitcoin; (ii) the bitcoin market is largely unregulated. There is a risk of losing money due to risks such as cyber-attacks, financial crime and counterparty failure; (iii) the Company may not be able to sell bitcoin at will. The ability to sell bitcoin depends on various factors, including the supply and demand in the market at the relevant time. Operational failings such as technology outages, cyber-attacks and comingling of funds could cause unwanted delay; and (iv) crypto assets are characterised in some quarters by high degrees of fraud, money laundering and financial crime. In addition, there is a perception in some quarters that cyber-attacks are prominent which can lead to

theft of holdings or ransom demands. The Board of Directors of the Company does not subscribe to such a negative view, especially in relation to bitcoin. However, prospective investors in the Company are encouraged to do their own research before investing.

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