

19 August 2024

ATOME PLC
("ATOME", "the Company", or "the Group")

Unaudited Results for the Six Months Ended 30 June 2024
Current Trading Update with Positive Progress

ATOME (AIM: ATOM), a recognised world-leading green fertiliser platform, is pleased to announce its unaudited results for the six-month period ended 30 June 2024 which are set out below together with a current trading update.

H1 2024 Operational Highlights:

- Successful completion of the Front-End Engineering and Design study ("FEED") for Villeta Project ("Villeta" or "the Project").
- Positive progress on the project financing for the Villeta project with interest in debt financing suggesting some 3x oversubscription.
- Successful completion of pre Power Purchase Agreement ("PPA") studies for the 300MW Yguazu project in Paraguay, twice the size of Villeta.
- Framework Collaboration Agreement with ICE, Costa Rica's state-owned power company, for feasibility studies and a roadmap towards an industrial scale green fertiliser facility in that country.

H1 2024 Financial Highlights:

- In February and March 2024, the Company completed successful placings of shares to the Directors, related parties and institutional shareholders totalling in aggregate US\$2.9 million gross in value and for which His Majesty's Revenue and Customs granted the Company EIS investment status for certain qualifying investors.
- For the six months ended 30 June 2024, ATOME recorded a loss of US\$2.8 million (H1 2023: US\$ 2.6 million), with US\$6.2 million of costs capitalised in relation to the 145MW Villeta Project (H1 2023: US\$ 2.1 million).
- The Company's Chairman and leading shareholder granted a facility of US\$5 million starting from Q3 2024 to end Q3 2025 sufficient to support Group working capital requirements.

Post H1 2024 Events:

- Heads of Terms signed with Yara International ASA ("Yara") for long term offtake of Villeta's entire production. Yara, 43% owned by the Norwegian Government, is the leading global crop nutrition company, reporting revenues of over US\$15 billion in 2023.
- Formal contract signed with the Paraguay government for a 30-year Free Trade Zone at the ATOME's Villeta facility providing transparent legal and fiscal certainty.
- Updated Investment Memorandum for Villeta project in Paraguay including offtake details circulated to potential project-level equity and debt investors.
- Discussions with leading international players ongoing and significant investment interest shown in Villeta project financing as well as in relation to ATOME's platform of projects extending to some 600MW.

Current Trading Update

ATOME continues to make expeditious progress on all of its projects.

The Company has developed into a recognised world leading green fertiliser platform starting with its flagship Villeta project in Paraguay where Final Investment Decision (“FID”) and commencement of construction is targeted by the end of the year, with detailed project finance discussions on both equity and debt with leading international players now in advanced progress and significant interest being shown.

Subsequent to the signing of the Yara Heads of Terms for offtake, ATOME is pleased to announce the formal signing with the Paraguayan Government for Villeta’s Free Trade Zone Agreement.

ATOME’s pipeline of projects now extends to 600MW and the Company views the future with increasing confidence as it focuses on maintaining the momentum with the support of the leading shareholder and continues to evaluate opportunities to expand the current portfolio of interests.

The Company’s latest Corporate Presentation can be found on the Company’s website at www.atomeplc.com

Joint Statement by Peter Levine, Chairman and Olivier Mussat, CEO:

“ATOME has made considerable progress in this six month period which has within a short period of time seen it develop into a world leader in green fertiliser with the FEED study now completed for our flagship Villeta project. This progress has continued at pace into the second half of the year with the formal completion of the Free Trade Zone agreement and signing the Yara Heads of Terms. Yara’s stated mission to responsibly feed the world and protect the planet is fully aligned with ATOME’s strategy and their long term commitment to offtake 100% of green fertiliser production from Villeta validates our commercial proposition.

“The Villeta project is expected be the largest green fertiliser production facility in the world when it comes on stream, which is currently projected for late in 2027, and has the capability of serving and decarbonising food value chains across South American, Europe and Asia. The 300MW Yguazu Project in Paraguay, with power already reserved, is nearly triple the size and capacity of Villeta and could come some 18 months later. The Costa Rica project will be of a similar size to Villeta and ATOME is well placed to capitalise on the country’s strategic position and world-renowned premium food industry.

“We have now a pipeline of projects of some 600MW and growing. ATOME is well positioned to expand its platform exploiting the benefit of its position, know how, developed engineering and design, management expertise and commercial offtake experience by mobilising these attributes to take advantage of further opportunities as they arise. With an exciting rest of the year in prospect we accordingly view the outlook for ATOME with growing confidence.

“We wish to express our thanks and appreciation to the Paraguay government and authorities for their continued support for our projects and congratulate the Country on achieving investment grade status from Moody’s Ratings. We also thank Yara for their trust and commitment as we look forward to a long and mutually beneficial relationship, as well as our colleagues for their hard work and loyalty in pursuit of the Company’s objectives.”

The 2024 Half Year Report and Financial Statements will be made available at <https://www.atomeplc.com/>

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

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

Beaumont Cornish Limited ("Beaumont Cornish") is the Company's Nominated Adviser and is authorised and regulated by the FCA. Beaumont Cornish's responsibilities as the Company's Nominated Adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies and AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange. Beaumont Cornish is not acting for and will not be responsible to any other persons for providing protections afforded to customers of Beaumont Cornish nor for advising them in relation to the proposed arrangements described in this announcement or any matter referred to in it.

About ATOME

ATOME PLC is an AIM listed company targeting green fertiliser production with 445-megawatt of projects in Paraguay and a further pipeline of potential projects in Central America.

The first project is at Villeta in Paraguay. Villeta benefits from a 145MW renewable power purchase agreement and 30 hectares of land in a free trade zone. Front End Engineering Design studies have been completed and Heads of Terms signed with Yara, the leading international fertiliser company for offtake of all of Villeta's production. The Company is now negotiating the project finance with a view to closing that and declaring FID before end 2024. There is a further 300MW of renewable power reserved for ATOME in Paraguay.

In Costa Rica, The National Ammonia Corporation S.A. was formed in 2022 with local partner Cavendish S.A. based in Costa Rica to develop green fertiliser projects for the region. As well as straddling the Pacific and Atlantic Oceans, Costa Rica is a democratic Central American country. In agriculture, Costa Rica is the second largest supplier of pineapples in the world and is in the top ten banana growers.

All power for ATOME is from 100% renewable sources and all chosen sites are located close to the power and water sources and export facilities to serve significant domestic and then international demand.

The Company has a green-focused Board which is supported by major shareholders including Peter Levine, Schroders, a leading fund manager, and Baker Hughes, a global technology company operating in the energy and industry sectors

Financial Review to 30 June 2024

The condensed financial statements present the half-year results for the six months ended 30 June 2024 for ATOME PLC, a green hydrogen, ammonia and fertiliser project development company on the London Stock Exchange, with large-scale projects of over 600MW in South America and Europe concentrating on energy and food security, together with hydrogen mobility projects.

Operating loss attributable to the Group's equity holders was in line with expectations and totalled US\$ 2.7 million (US\$2.8 million and US\$6.8 million for the six months ended 30 June 2023 and for the year ended 31 December 2023, respectively). As the Villeta project has advanced with front end engineering and design (FEED), costs incurred on the FEED contract and other directly attributable costs totalling US\$6.2 million were capitalised as at 30 June 2024 (US\$2.1 million for the six months ended 30 June 2023 and US\$4.5 million as at 31 December 2023).

Net cash used by operating activities totalled US\$1.6 million (US\$3.3 million and US\$3.8 million for the six months ended 30 June 2023 and for the year ended 31 December 2023, respectively), with cash used by investing activities totalling US\$1.4 million (US\$2.1 million and US\$4.7 million for six months ended 30 June 2023 and year ended 31 December 2023, respectively).

Operating deficit and cash outflows to investing activities were financed primarily by net proceeds from the issue of shares in the placings in February and March totalling US\$2.4 million (US\$4.6 million in six months ended 30 June 2022 and US\$4.4 million in the year ended 31 December 2023). Further funding will continue to be required from shareholders lenders or otherwise for the Company to achieve success in project financing for the Villeta Project with the desired outcome of cash generative production in 2027 and to continue its operations.

Additional funds may be made available to the Group in the form of the commitment based on the support letter ("the Facility") provided by Peter Levine through one of his entities, the terms of which were announced on 27 June 2024. The terms thereof provide inter alia for an unsecured facility of up to £4 million (US\$5 million) for a period up to 30 September 2025 to support working capital needs.

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

	6 months to 30 June 2024 (Unaudited) US\$000	6 months to 30 June 2023 (Unaudited) US\$000	Year ended 31 Dec 2023 (Audited) US\$000
Income from grants	-	6	-
Other Income	-	-	312
Loss before tax	(2,541)	(2,856)	(6,900)
Net cash used by operating activities	(1,552)	(3,257)	(3,777)
Proceeds from issue of shares (net of expenses)	2,444	4,583	4,408
Net cash/(debt)	(733)	2,838	(260)
Cash balance	77	3,634	550

Condensed Consolidated Statement of Comprehensive Income

		6 months to 30 June 2024 (Unaudited) US\$000	6 months to 30 June 2023 (Unaudited) US\$000	Year ended 31-Dec 2023 (Audited) US\$000
Administrative expenses	3	(2,430)	(2,870)	(7,265)
Other income		-	-	312
Investment grant		-	6	-
Operating loss		(2,430)	(2,864)	(6,953)
Finance Income		16	22	54
Finance costs		(129)	(37)	(1)
Foreign exchange gain		2	23	-
Loss before taxation		(2,541)	(2,856)	(6,900)
Income tax (charge)/credit		-	-	-
Loss for the period from continuing operations		(2,541)	(2,856)	(6,900)
Non-controlling interest share of the comprehensive loss		(197)	42	78
Loss attributable to the equity holders		(2,738)	(2,814)	(6,822)
Other comprehensive income (loss)				
Items that may be reclassified subsequently to profit or loss		(74)	256	239
Total comprehensive loss for the period attributable to the equity holders of the Parent Company		(2,812)	(2,558)	(6,583)
Loss per share from continuing operations		US cents	US cents	US cents
Basic loss per share	4	(6.30)	(7.60)	(17.63)
Diluted loss per share	4	(6.30)	(7.60)	(17.63)

Condensed Consolidated Statement of Financial Position

		30-Jun 2024 (Unaudited) US\$000	30-Jun 2023 (Unaudited) US\$000	31-Dec 2023 (Audited) US\$000
	Note			
ASSETS				
Non-current assets				
Intangible assets	5	5,854	-	4,512
Goodwill		2	6	2
Property, plant and equipment	6	1,223	3,059	1,217
		7,079	3,065	5,731
Current assets				
Trade and other receivables	7	1,178	2,842	1,325
Cash and cash equivalents		77	3,634	550
		1,255	6,476	1,875
TOTAL ASSETS		8,334	9,541	7,606
LIABILITIES				
Current liabilities				
Trade and other payables	8	3,249	1,197	2,852
		3,249	1,197	2,852
Non-current liabilities				
Non-current portion of leases	8	15	-	28
Long-term debt		810	796	810
		825	796	838
TOTAL LIABILITIES		4,074	1,993	3,690
EQUITY				
Share capital		121	106	109
Share premium		19,725	16,786	16,881
Retained earnings		(17,282)	(10,536)	(14,544)
Translation reserve		(166)	(75)	(92)
Share based payment reserve		1,862	1,428	1,759
Equity attributable to owners of the parent		4,260	7,709	4,113
Non-controlling interest		-	(161)	(197)
TOTAL EQUITY		4,260	7,548	3,916
TOTAL EQUITY AND LIABILITIES		8,334	9,541	7,606

Condensed Consolidated Statement of Changes in Equity

	Share capital and premium US\$000	Retained earnings US\$000	Other Reserves US\$000	Total US\$000	Non- controlling interest US\$000	Total US\$000
Balance as at 1 January 2023	11,997	(7,722)	815	5,090	(119)	4,971
Share-based payments	-	-	282	282	-	282
Offer of shares to public	5,088	-	-	5,088	-	5,088
Costs of issue of new shares	(95)	-	-	(95)	-	(95)
Transactions with owners	4,993	-	282	5,275	-	5,275
Loss for the period	-	(2,856)	-	(2,856)	-	(2,856)
Non-controlling interest share in comprehensive loss	-	-	-	-	(42)	-
Exchange differences on translation	-	-	256	256	-	256
Total comprehensive loss	-	(2,856)	256	(2,600)	(42)	(2,642)
Balance as at 30 June 2023	16,990	(10,578)	1,353	7,765	(161)	7,604
Share-based payments	-	-	331	331	-	331
Offer of shares to public	-	-	-	-	-	-
Costs of issue new shares	-	-	-	-	-	-
Transactions with owners	16,990	(10,578)	1,684	8,096	(161)	7,935
Loss for the period	-	(3,966)	-	(3,966)	-	(3,966)
Non-controlling interest share in comprehensive loss	-	-	-	-	(36)	(36)
Exchange differences on translation	-	-	(17)	(17)	-	(17)
Total comprehensive loss	-	(3,966)	(17)	(3,983)	(36)	(4,019)
Balance as at 1 January 2024	16,990	(14,544)	1,667	4,113	(197)	3,916
Share-based payments	-	-	103	103	-	103
Offer of shares to public	2,919	-	-	2,919	-	2,919
Costs of issue of new shares	(63)	-	-	(63)	-	(63)
Transactions with owners	2,856	-	103	2,959	-	2,959
Loss for the period	-	(2,541)	-	(2,541)	-	(2,541)
Non-controlling interest share in comprehensive loss	-	(197)	-	(197)	197	-
Exchange differences on translation	-	-	(74)	(74)	-	(74)
Total comprehensive income/(loss)	-	(2,738)	(74)	(2,812)	197	(2,615)
Balance as at 30 June 2024	19,846	(17,282)	1,696	4,260	-	4,260

Condensed Consolidated Statement of Cash Flows
Six months ended 30 June 2024

	6 months to 30 June 2024 (Unaudited) US\$000	6 months to 30 June 2023 (Unaudited) US\$000	Year ended 31-Dec 2023 (Audited) US\$000
Cash flows from operating activities			
Cash used in operating activities - (note 9)	(1,552)	(3,257)	(3,777)
	(1,552)	(3,257)	(3,777)
Cash flows from investing activities			
Expenditure on development and production assets	(1,361)	(2,070)	(4,767)
Interest received	16	-	54
	(1,345)	(2,070)	(4,713)
Cash flows from financing activities			
Proceeds from issue of shares (net of expenses)	2,444	4,583	4,408
Long-term loan proceeds	-	796	810
Finance costs	(3)	-	-
Repayment of obligations under leases	(12)	(13)	(22)
	2,429	5,366	5,196
Net increase/(decrease) in cash and cash equivalents	(468)	39	(3,294)
Opening cash and cash equivalents at beginning of year	550	3,452	3,452
Exchange (losses)/gains on cash and cash equivalents	(5)	143	392
Closing cash and cash equivalents	77	3,634	550

Notes to the Financial Statements

Six months ended 30 June 2024

1. Nature of operations and general information

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

These condensed consolidated interim financial statements (the interim financial statements) have been approved for issue by the Board of Directors on 16 August 2024. The financial information for the six months ended 30 June 2024 and 30 June 2023 was neither audited nor reviewed by the auditor. The Group's audited statutory financial statements for the year ended 31 December 2023 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified, did not include a reference to matters to which the auditors drew attention by way of emphasis except for potential material uncertainty that may arise around the Company's ability to continue as a going concern, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Basis of preparation

The interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023, which have been prepared in accordance with UK adopted International Accounting Standards.

These financial statements have been prepared under the historical cost convention, except for any derivative financial instruments which have been measured at fair value. The accounting policies adopted in the 2024 interim financial statements are the same as those adopted in the financial statements for the year ended 31 December 2023, as included in the 2023 Annual report.

	6 months to 30 June 2024 (Unaudited) US\$000	6 months to 30 June 2023 (Unaudited) US\$000	Year ended 31 Dec 2023 (Audited) US\$000
3 Administrative expenses			
Directors' fees and staff costs (including non-executive Directors)	1,005	1,409	3,457
Cost of issue for existing shares	75	-	95
Share-based payments	103	-	613
Depreciation	13	-	31
Other	1,234	1,461	3,069
	2,430	2,870	7,265

4 Loss per share

Net loss for the period attributable to the equity holders of the Parent Company	(2,738)	(2,814)	(6,822)
	<u>Number</u>	<u>Number</u>	<u>Number</u>
	'000	'000	'000
Weighted average number of shares in issue	<u>43,462</u>	<u>37,019</u>	<u>38,685</u>
Earnings /(loss) per share	US cents	US cents	US cents
Basic	(6.30)	(7.60)	(17.63)
Diluted	<u>(6.30)</u>	<u>(7.60)</u>	<u>(17.63)</u>

5 Intangible Assets

	Total US\$000
Cost	
At 1 January 2023	-
Additions	-
At 30 June 2023	-
Reclassification from property, plant and equipment	2,132
Additions	2,380
At 1 January 2024	4,512
Additions	1,342
At 30 June 2024	<u>5,854</u>
Net Book Value 30 June 2024	<u>5,854</u>
Net Book Value 30 June 2023	<u>-</u>
Net Book Value 31 December 2023	<u>4,512</u>

6 Property, plant and equipment

	Land Assets US\$000	Leased Assets US\$000	Other Assets US\$000	Total US\$000
Cost				
At 1 January 2023	918	47	-	965
Additions	-	-	2,132	2,132
At 30 June 2023	918	47	2,132	3,097
Additions	-	56	2,385	2,441
Reclassification to intangible assets	-	-	(2,132)	(2,132)
At 1 January 2024	918	103	253	1,274
Additions	-	-	19	19
At 30 June 2024	918	103	272	1,293
Depreciation/Impairment				
At 1 January 2023	-	26	-	26
Charge for the period	-	12	-	12
At 30 June 2023	-	38	-	38
Charge for the period	7	12	-	19
At 1 January 2024	7	50	-	57
Charge for the period	-	13	-	13
At 30 June 2024	7	63	-	70
Net Book Value 30 June 2024	911	40	272	1,223
Net Book Value 30 June 2023	918	9	2,132	3,059
Net Book Value 31 December 2023	911	53	253	1,217

	6 months to 30 June 2024 (Unaudited) US\$000	6 months to 30 June 2023 (Unaudited) US\$000	Year ended 31 Dec 2023 (Audited) US\$000
7 Trade and other receivables			
Outstanding on share issue	791	2,037	906
Other receivables	285	384	338
Prepayments	102	421	81
	1,178	2,842	1,325
8 Trade and other payables			
Current			
Other payables	3,222	1,187	2,826
Current portion of leases	27	10	26
	3,249	1,197	2,852
Non-current			
Non-current portion of leases	15	-	28
Long-term debt	810	796	810
	825	796	838
Total carrying value	4,074	1,993	3,690

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

	6 months to 30 June 2023 (Unaudited) US\$000	6 months to 30 June 2023 (Unaudited) US\$000	Year ended 31 Dec 2023 (Audited) US\$000
Loss from operations before taxation	(2,430)	(2,857)	(6,953)
Interest accretion on lease liability	1	1	1
Depreciation and impairment of property, plant and equipment	13	12	31
Amortisation and impairment of goodwill	-	-	4
Foreign exchange loss/(gain)	(67)	-	(155)
Placing costs expensed	75	191	-
Payments in kind for shares placed	337	-	1,197
Share-based payments	103	282	613
Operating cash flows before movements in working capital	(1,968)	(2,371)	(5,262)
Decrease/(increase) in receivables	32	(439)	202
/Increase/(decrease) in payables	384	(447)	1,283
Net cash used by operating activities	(1,552)	(3,257)	(3,777)

10. Capital commitments

The Group's outstanding capital commitments in relation to its projects totalled US\$2.7 million as at 30 June 2024.

11. Share capital

In February and March 2024, the Company issued 4,600,000 new ordinary shares ("Subscription Shares") at a price of £0.50 per share, with gross proceeds totalling US\$2.9 million, of which \$0.5 million was offset against amounts payable to directors and employees, resulting in net proceeds of US\$2.4 million

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