

HYDROGEN UTOPIA INDUSTRIALS

23 January 2023

HUI.L

15.5p

Market Cap: £59.6m

SHARE PRICE (p)



12m high/low

16.9p/4.9p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (Debt)/Cash	£4.7m (at 31/12/21)
Enterprise value	£54.9m
Index/market	AXS
Next news	TBC
Shares in Issue (m)	384.3
Chairman	Guy Peters
Chief Executive	Aleksandra Binkowska
Finance Director	James Nicholls-May

COMPANY DESCRIPTION

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

www.hydrogenutopia.eu

HYDROGEN UTOPIA IS A RESEARCH CLIENT OF
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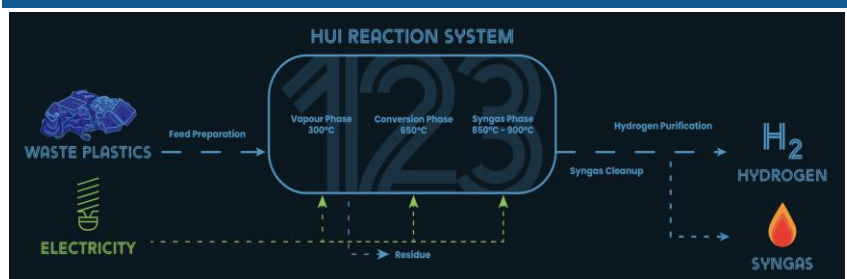


Momentum continues in 2023

2022 was an important year for Hydrogen Utopia International (HUI). The company, which gives investors access to an exciting technology that converts waste plastic to hydrogen, concluded a successful IPO in January. Over the course of the year, HUI moved its technology forward and began to put in place a series of deals that will allow the company to start to commercialise its technology. This momentum has continued into 2023, with HUI looking to move further into Poland and Europe. HUI has now listed its shares on the main market of the London Stock Exchange and will be withdrawing its listing on the junior Aquis market.

- Poland.** HUI announced on 17 January that it had signed a Memorandum of Understanding (MOU) with Romgos Grupa under which the two companies will look to work together to deploy HUI facilities in Poland and Europe. Romgos Grupa has considerable expertise in the development and construction of energy and Industrial infrastructure, and has recently started moving into renewable energy, such as photovoltaic and wind farms, and energy storage facilities. The joint venture will allow Romgos Grupa to access HUI's plastic waste to hydrogen technology, while HUI will gain a partner with significant technological expertise and relationships.
- Main market listing.** HUI announced on 9 January that it was moving its shares to trade on the London Stock Exchange's Main Market for listed securities. The shares had previously been listed on the Aquis stock exchange, which is geared to smaller growth companies. Trading of HUI's shares on Aquis will cease on 14 February. The move to the main market will raise HUI's profile and help to attract international investors, which will accelerate the growth of the company.
- Momentum continues.** 2022 was an exciting year for HUI. The company started the year with a successful IPO in January. Since this debut, HUI has been moving its technology forward to a point where it can be rolled out commercially. At present, the company is working on testing the first lower-temperature pyrolysis stage and, dependent on the results, will then move to test the higher-temperature stage, where it can be commercialised. HUI also has been putting into place a pipeline of potential projects in Ireland and Poland that would allow it to start up commercial waste plastic to hydrogen plants once this technology has been tested. As discussed above, 2023 has seen this momentum continue and is likely to prove an exciting year for HUI as it moves towards getting its first waste plastic to hydrogen plants up and running.

HYDROGEN UTOPIA TECHNOLOGY



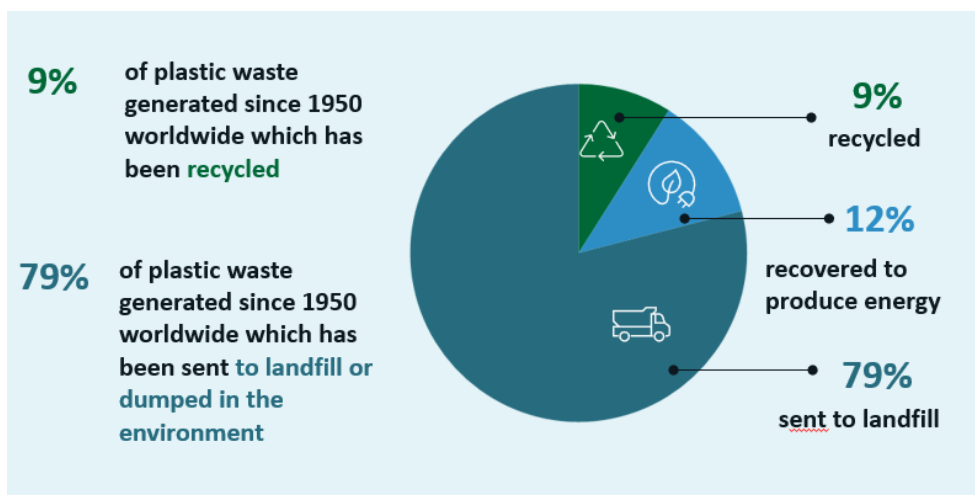
Source: Company Information

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Hydrogen Utopia International

Hydrogen Utopia International (HUI) provides investors with access to an innovative process that converts waste plastics into syngas and hydrogen. This technology will address two important problems that are faced by the global economy: plastic waste and climate change. The company is looking to use waste plastics as a feedstock, which in the current environment would have been dumped, incinerated or put into landfill. Through lower temperature pyrolysis and gasification, this waste can be converted into synthetic gas (syngas). This syngas can be used as a fuel in its own right industrially for the generation of power and heat or as a building block for other chemical processes. HUI’s business plan envisages, through a higher temperature pyrolysis, 99.999% purity hydrogen being extracted from the syngas, with the remaining syngas available as a fuel or building block. Methane could also be extracted from the syngas as an alternative to hydrogen extraction. Hydrogen has an important part to play in the decarbonisation of the global economy as it can be used in areas such as transportation and hence reduce reliance of fossil fuels.

Lack of capacity to manage growing amounts of plastic waste in circular/sustainable ways



Source: Roland Geyer, Jenna R. Jambeck and Kara Lavender, Science Advances 2017 - Production, use, and fate of all plastics ever made

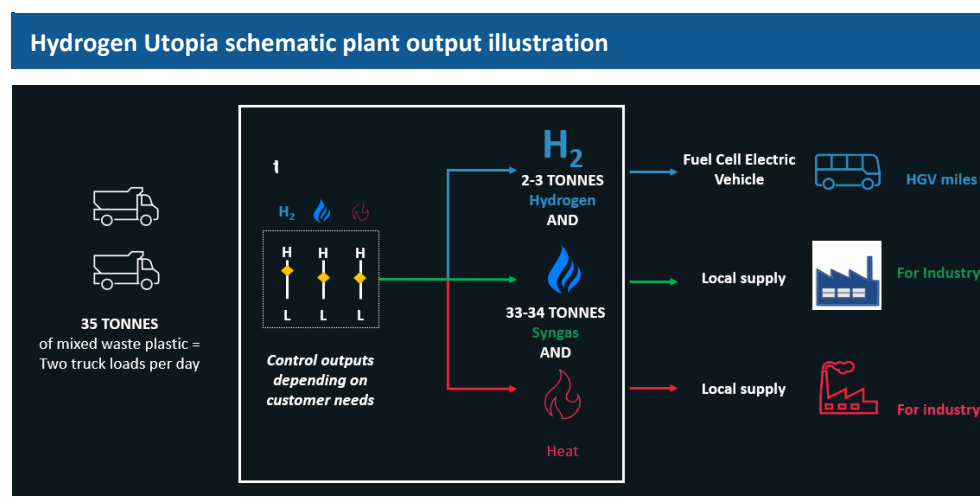
HUI in 2022

IPO

HUI completed a successful IPO in January 2022. The company was admitted to the AQSE (Aquis Stock Exchange) Growth market, raising £3m through a share placing and subscription. This money was to be used in developing the company’s technology and building a pipeline of business opportunities. This has been duly done, as we discuss below.

Technology

HUI is moving ahead to get its technology developed to a point where it can be rolled out commercially across its planned sites. HUI partnered with Electron, the Netherlands-based thermal engineering company, in May 2021 to design a chemical conversion chamber that will be at the heart of the facility to convert waste plastics to hydrogen. This will entail the pyrolysis of plastic at a temperature of up to 500°C to create syngas. The second higher-temperature gasification stage will then produce hydrogen. In June 2022, the partners announced that they were in the final stages of assembly of a rig to test the first lower-temperature stage of the pyrolysis (see our [note](#)), and in July 2022 they announced that Electron had completed the first design phase of the thermal processing system. We would expect to see the details of this testing process soon.



Source: Company information

Pipeline of projects

HUI has been putting together a portfolio of potential projects that can start to move forward once the technology has proven to be commercial.

Ireland

The most advanced of HUI's projects is in Longford, Ireland (see our [note](#)). In November 2022, the company reached an agreement with Fisherstown Property Holding (FPH) to negotiate a lease at a site at Fisherstown, County Longford, where it would build its first full-scale facility. It is hoped that the parties can reach an agreement on this lease within the next few months. HUI is looking to obtain the right, for a period of two years, to acquire a 25-year lease on a 2.5-acre greenfield site. This would be dependent on the ability to move the plant ahead, such as planning and environmental permissions.

The Fisherstown site is very well-situated. In terms of infrastructure, the site has its own grid connection, electrical substation and waste-water facilities. FPH is also looking at making this site an energy park and received permission in 2018 to build a 4MW solar farm, which could provide power to the HUI facility. The site has good road access to Dublin and Galway and could be one of the major beneficiaries of the EU's Just Transition Fund (JTF), which is designed to help communities transition to a low-carbon environment. County Longford is expected to receive better EU funding than other areas of Ireland, with the Irish government making JTF a key pillar of its plan for the Midlands region.

Poland

HUI has also been looking to expand into Poland. In August 2022, HUI announced a proposed 50:50 joint venture with Powerhouse Energy Group (PHE) to build a waste plastic to hydrogen plant in the city of Konin, Poland (see our [note](#)). This plant would be located on a site currently held by HUI. The partners are going through the process of getting environmental approval from the Polish authorities. The site is well-located and has potential for funding from the EU's JTF and from the Polish government.

In October 2022, HUI agreed a MOU with Elkard Z.O.O. on the development of an HUI plant to produce hydrogen, electricity and heat. The partners have now commenced work on planning for a new plant and are looking for a suitable site, preparing environmental reports and obtaining EU and national grants. The attraction of this is that Elkard has considerable experience in designing and installing power and electrical systems for public utilities, industry and residential customers. Elkard is run by Mariusz Krakowski, who has a keen interest in innovation and game-changing technologies and is the nephew of billionaire Roman Karkosik.

HUI in 2023

The momentum for HUI has continued in 2023. We would expect to hear updates on the items discussed above over the course of the year. Meanwhile, HUI is moving ahead in other ways.

Main market listing

HUI announced on 9 January that it was moving its shares to trade on the London Stock Exchange's (LSE) Main Market for listed securities. The shares had previously been listed on the AQSE (Aquis Stock Exchange), which is geared to smaller growth companies focused on new technologies. After a notice period, trading of HUI's shares on Aquis will cease on 14 February. The move to the main market will increase the profile of the company. The LSE is very well recognised among investors and hence will help to attract international investors to HUI, which in turn will help to accelerate the growth of the company.

Poland – Romgos Grupa

HUI announced on 17 January that it had signed a MOU with Romgos Grupa under which the companies will look to work together to deploy HUI facilities in Poland and Europe. Romgos Grupa has considerable expertise in development and construction of energy and Industrial infrastructure, and has recently started moving into renewable energy, such as solar and wind farms, and energy storage facilities. At present, Romgos Grupa's investments generate 82MW of energy.

Romgos Grupa has agreed to provide funding of PLN 3m (£0.56m) through contributing an appropriate site to build the HUI plant and to cover the costs of getting the environmental and construction permits. Romgos Grupa will manage the process of obtaining EU and national grant funding for the construction of the initial facility. The joint venture will allow Romgos Grupa to access HUI's plastic waste to hydrogen technology, while HUI will gain a partner with significant technological expertise and relationships.

Next steps

Going forward, we might assume that HUI's next news will come from the results of the testing of the equipment, which will hopefully allow the partners to move to test the higher-temperature process. The market will also focus on how the proposed plant in Ireland moves ahead and the progress made on HUI's joint ventures.

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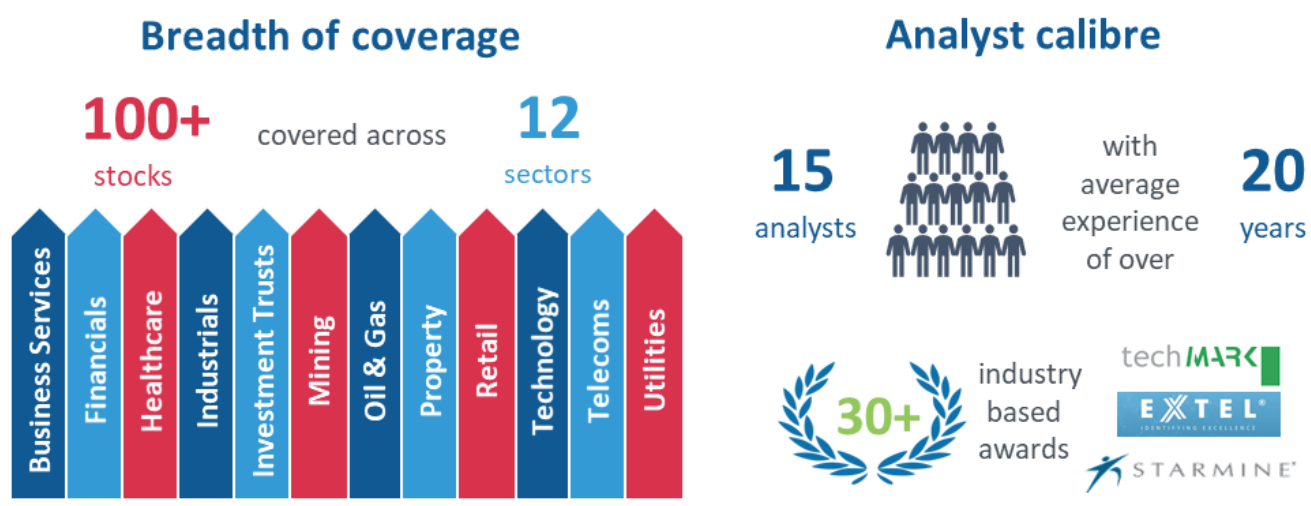
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