



EnergyPathways plc
("EnergyPathways" or the "Company")

Results for the half year ended 30 June 2026

EnergyPathways (AIM: EPP), an integrated energy transition company, is pleased to announce its unaudited results for the six months ended 30 June 2026.

Period Highlights:

- Offer of Gas Storage Licence GSL009 made by NSTA and formally accepted by the Company; licence covers storage of natural gas and hydrogen
- Front End Engineering & Design ("FEED") commenced for the LDES project
- Agreement with Associated British Ports (ABP) to evaluate ABP's Port at Barrow for onshore facilities for the MESH project
- Appointment of Alison Flower as Non-Executive Director and Martyn Millwood Hargrave as Chief Scientific Officer
- Signed £15 million financing agreement comprising £5 million convertible loan and £10 million "At The Market" equity facility
- Active engagement with and encouragement by the UK Government and other key stakeholders to further the maturity of all three projects to FID; LDES, strategic gas & hydrogen storage and hydrogen industries for the production of hydrogen / ammonia and graphite
- Loss for the period £1,952,757 (30 June 2025: loss £607,201; 31 December 2025: loss £1,659,501).

Post period-end:

- Appointment of Jacobs as engineering and regulatory partner
- Intellectual property patent application submitted in relation to the Company's Compressed Air Energy Storage System
- Signed collaboration agreement with Hycamite TCD Technologies Ltd to evaluate high-grade graphite and low-carbon hydrogen production technology

For further information on the Company please visit the Company's website:

<https://energypathways.uk>

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 (MAR). Upon the publication of this announcement via Regulatory Information Service (RIS), this inside information is now considered to be in the public domain. The Directors of the Company are responsible for this announcement.

Forward Looking Statements

This announcement contains forward looking statements relating to the plans, activities and expectations of EnergyPathways PLC. Such statements include, but are not limited to, those concerning anticipated timelines and outcomes. Forward looking statements are typically identified by words such as "plan", "expect", "anticipate", "intend", "may", "could", "potential" or similar expressions.

These statements are based on current expectations and assumptions and involve risks and uncertainties that could cause actual results to differ materially. Factors include geological risk, permitting and regulatory approvals, funding availability, operational challenges, commodity price movements and general market conditions. No assurance can be given that any forward-looking statements will prove to be accurate, and shareholders are cautioned not to place undue reliance on them.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS FOR THE SIX MONTHS ENDED 30 JUNE 2026

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	6 Month Period Ended 30 June 2026	6 Month Period Ended 30 June 2025	12 Month Period Ended 31 December 2025
Note	£	£	£
Administrative expenses	(1,590,116)	(572,490)	(1,415,172)
Loss on revaluation of derivative liabilities and	(215,507)	-	-

financial liabilities				
Impairment of property, plant and equipment		-	-	(167,591)
Pre-acquisition license expenses		(47,875)	(29,315)	(71,349)
Operating Loss		(1,853,498)	(601,805)	(1,654,112)
Net finance costs		(99,259)	(5,396)	(5,389)
Loss before tax		(1,952,757)	(607,201)	(1,659,501)
Taxation		-	-	-
Loss for the period		(1,952,757)	(607,201)	(1,659,501)
Other comprehensive income:				
Items that will or may be reclassified to profit or loss:				
Other comprehensive income		-	-	-
Total comprehensive loss		(1,952,757)	(607,201)	(1,659,501)
Basic and Diluted Loss per share (pence)	3	(0.84)	(0.35)	(0.87)

All operations are continuing.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
		As at	As at	As at
		30 June	30 June	31 December
		2026	2025	2025
	Note	£	£	£
Non-current assets				
Intangible assets	4	-	-	-
Property, plant and equipment		<u>4,475,045</u>	<u>2,175,460</u>	<u>3,079,697</u>
		4,475,045	2,175,460	3,079,697
Current assets				
Trade and other receivables	5	396,305	150,883	293,558
Cash and cash equivalents		<u>840,508</u>	<u>695,335</u>	<u>1,092,759</u>

		<u>1,236,813</u>	<u>846,218</u>	<u>1,386,317</u>
Total assets		<u>5,711,858</u>	<u>3,021,678</u>	<u>4,466,014</u>
Current liabilities				
Trade and other payables	5	(1,781,610)	(1,345,939)	(1,979,383)
Borrowings	7	<u>(958,962)</u>	<u>(105,514)</u>	<u>-</u>
		<u>(2,740,572)</u>	<u>(1,451,453)</u>	<u>(1,979,383)</u>
Non-current liabilities				
Financial liabilities - warrants	8	<u>(352,657)</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>(3,093,229)</u>	<u>(1,451,453)</u>	<u>(1,979,383)</u>
Net assets		<u>2,618,629</u>	<u>1,570,225</u>	<u>2,486,631</u>
Equity				
Ordinary share capital	9	2,508,252	1,860,286	2,241,923
Share premium	9	7,951,344	5,525,849	6,808,918
Share based payments reserve		1,193,000	270,000	517,000
Retained earnings		<u>(9,033,967)</u>	<u>(6,085,910)</u>	<u>(7,081,210)</u>
Total equity		<u>2,618,629</u>	<u>1,570,225</u>	<u>2,486,631</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	Ordinary Share capital £	Share premium £	Share based payments reser £
Balance as at 1 January 2025 (<i>Audited</i>)		<u>1,684,954</u>	<u>4,772,264</u>	<u>288,000</u>
Loss for the period and total comprehensive income		-	-	-
Issue of shares for services	9	26,617	118,651	
Issue of shares - placing and subscription	9	134,240	609,452	
Issue of shares - exercise of warrants	9	5,000	20,000	
Issue of shares - exercise of options	9	9,475	28,425	
Share issue costs	9	-	(40,943)	
Released on exercise of options		-	18,000	(18,000)
Balance as at 30 June 2025 (<i>Unaudited</i>)		<u>1,860,286</u>	<u>5,525,849</u>	<u>270,000</u>
Loss for the period and total comprehensive income		-	-	-
Issue of shares for services	9	42,853	142,664	
Issue of shares - placing and subscription	9	321,284	1,164,715	277,000
Issue of shares - exercise of warrants	9	17,500	52,500	(39,000)

Share issue costs	9	-	(58,810)	
Transfer to retained earnings		-	(18,000)	
Issue of broker warrants		-	-	9,000
Balance as at 31 December 2025 (<i>Audited</i>)		2,241,923	6,808,918	517,000
Loss for the period and total comprehensive income		-	-	
Issue of shares - ATM	9	69,397	193,500	
Issue of shares for third-party services	9	135,541	378,283	
Issue of shares -subscription	9	1,143	8,857	
Issue of shares - loan conversion	9	60,248	573,047	
Share issue costs		-	(11,261)	
Grant of warrants	10	-	-	676,000
Balance as at 30 June 2026 (<i>Unaudited</i>)		2,508,252	7,951,344	1,193,000

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

		<i>Unaudited</i> 6 months to 30 June 2026 £	<i>Unaudited</i> 6 months to 30 June 2025 £	<i>Audited</i> 12 months to 31 December 2025 £
	Note			
Cash flows from operating activities				
Loss before tax for the period		(1,952,757)	(607,201)	(1,659,501)
Adjustments for:				
Depreciation		1,697	1,697	3,413
Share based payments		676,000	-	9,000
Compensation settled in shares		6,667	29,726	81,037
Movement on fair value revaluations		215,509	-	-
Interest income		(148)	(117)	(125)
Interest expense		99,407	5,514	5,514
		(953,625)	(570,381)	(1,560,662)
Changes in non-cash working capital accounts				
(Increase) / decrease in trade and other receivables	5	(92,205)	(39,661)	(187,138)
Increase / (decrease) in trade and other payables	6	46,836	184,405	437,972
Cash used in / (generated by) operating activities		(998,994)	(425,637)	(1,309,828)
Income taxes paid		-	-	-
Net cash flows from operating activities		(998,994)	(425,637)	(1,309,828)
Investing activities				
Purchase of property, plant and equipment		(1,145,041)	(602,444)	(1,038,187)
Interest income		148	117	125

Net cash used in investing activities		<u>(1,144,893)</u>	<u>(602,327)</u>	<u>(1,038,062)</u>
Financing activities				
Proceeds from issue of ordinary share capital	9	272,897	806,592	2,639,592
Share issue costs	9	(11,261)	(40,943)	(56,593)
Interest paid		-	-	-
Proceeds from loans and borrowings	7	<u>1,630,000</u>	<u>100,000</u>	<u>-</u>
Net cash provided by financing activities		<u>1,891,636</u>	<u>865,649</u>	<u>2,582,999</u>
Net (decrease)/increase in cash and cash equivalents		(252,251)	(162,315)	235,109
Cash and cash equivalents at beginning of period		<u>1,092,759</u>	<u>857,650</u>	<u>857,650</u>
Cash and cash equivalents at end of period		<u>840,508</u>	<u>695,335</u>	<u>1,092,759</u>

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

EnergyPathways plc (the "Company" or "EnergyPathways") is a company incorporated in England and Wales under the Companies Act 2006 with the registered number 13201653. The Company's registered office is Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH.

The principal activity of the Company is delivering clean, home-grown energy for the UK.

2. Summary of significant accounting policies

The principal accounting principles applied in the preparation of these unaudited interim financial statements are set out below. These principles have been consistently applied to all periods presented, unless otherwise stated.

2.1. Basis of preparation

The interim financial information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. It has been prepared on a going concern basis in accordance with UK-adopted international accounting standards. Statutory financial statements for the period ended 31 December 2025 were approved by the Board of Directors on 29 June 2026 and delivered to the Registrar of Companies. The report of the auditors on those financial statements was unqualified.

The interim financial information for the six months ended 30 June 2026 has not been reviewed or audited. The interim financial report was approved by the Board on 28 September 2026.

The financial information contained in the half-yearly financial statements have been prepared on the historical cost basis, except for share-based payments, warrants and derivative liabilities, which are based on fair values determined at the grant date and, where appropriate, revalued at the period-end date.

The accounting policies adopted are consistent with those of the annual Financial Statements for the year ended 31 December 2025 with the addition of new accounting policies arising from the Company entering into a convertible loan agreement with warrants as set out below.

Convertible loan notes (CLNs)

Upon issue of a new convertible loan, where the convertible option is at a fixed rate, the net proceeds received from the issue of CLNs are split between a liability element and an equity component at the date of issue. The fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the CLNs and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity and is not remeasured.

Where the convertible loan note includes a conversion feature, it is bifurcated from the host debt liability and recognised initially at fair value and remeasured to fair value at the period end reporting date with the movements in fair value recognised in the income statement.

Subsequent to the initial recognition the host debt liability component is measured at amortised cost using the effective interest method.

When there are amendments to the contractual loan note terms these terms are assessed to determine whether the amendment represents an inducement to the loan note holders to convert. If this is considered to be the case, the estimate of fair value is adjusted as appropriate and any loss arising is recorded in the income statement.

Where there are amendments to the contractual loan note terms that are considered to represent a modification to the loan note, without representing an inducement to convert, the Group treats the transaction as an extinguishment of the existing convertible loan note and replaces the instrument with a new convertible loan note. The fair value of the liability component is estimated using the prevailing market interest rate for similar nonconvertible debt. The fair value of the conversion right is recorded as an increase in equity. The previous equity reserve is reclassified to retained loss. Any gain or loss arising on the extinguishment of the instrument is recorded in the income statement, unless the transaction is with a counterparty considered to be acting in their capacity as a shareholder whereby the gain or loss is recorded in equity.

Where the loan note is converted into ordinary shares by the loan note holder, the unaccreted portion of the loan notes is transferred from the derivative liability; the full liability is then converted into share capital and share premium based on the conversion price on the note.

On issue of a convertible loan, the fair value of the liability component is determined by discounting the contractual future cash flows using a market rate for a non-convertible instrument with similar terms. This value is carried as a liability on the amortised cost basis unless it is designated as a Fair Value Through Profit and Loss ("FVTPL") at inception.

Warrants

Warrants granted as part of a financing arrangement which fail the fixed-for-fixed criteria as a result of either the consideration to be received or the number of warrants to be issued is variable, are initially recorded at fair value as a financial liability and charged as transaction cost deducted against the loan and held subsequently at fair value. Subsequently the derivative liability is revalued at each reporting date with changes in the fair value recorded within finance income or costs.

New and amended standards that became applicable for the Group in the current reporting period have not resulted in changes to accounting policies or retrospective adjustments.

2.2. Going concern

In order to assess the appropriateness of the going concern basis in preparing the financial statements for the six months ended 30 June 2026, the Directors have considered a time period of at least twelve months from the date of approval of these financial statements.

The Group is currently not revenue-generating and incurred an operating loss during the six months ended 30 June 2026. At the balance sheet date, the Group had cash and cash equivalents amounting to £840,000. The future of the Company is dependent on the development of the MESH project to deliver Energy Security and Net Zero in line with the UK Government's energy policy. During the period under review, the Company entered into a financing agreement comprising a £5 million loan facility and a £10 million "At The Market" equity facility ("ATM"). At the date of this report, £3 million of the loan facility and approximately £9.5 million of the ATM remains available to the Company. The Directors believe that the Group's cash flow can be assisted by raising additional capital, the deferral of planned expenditure and other cost saving actions, loan facilities for revenue-generating operations or from future revenues.

The Directors concluded that the Group will have sufficient resources to continue as a going concern for the future, that is for a period of not less than 12 months from the date of approval of the consolidated financial statements.

However, there exists a material uncertainty that may cast significant doubt over the ability of the Group to continue as a going concern. The Group may be unable to realise its assets and discharge its liabilities in the normal course of business if it is unable to raise funds for further development of the MESH project. The condensed consolidated statements have been prepared on a going concern basis and do not include any adjustments that would be necessary if this basis were inappropriate.

2.3. Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium term performance and the factors that mitigate those risks

have not substantially changed from those set out in the Company's 2025 Annual Report and Financial Statements, a copy of which is available on the Company's website: <https://energypathways.uk>. The key financial risks are securing finance for the MESH Project and an emerging cost inflation risk.

2.4. Critical judgements and accounting estimates

The preparation of interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in note 3 of the Company's 2025 Annual Report and Financial Statements.

During the period, the Group entered into a convertible loan agreement and granted warrants which gave rise to derivative and financial liabilities (see Note 7 and 8). Accounting for derivative financial liabilities arising from the drawdown of the convertible loan and grant of share warrants requires the use of valuation models to estimate the future share price performance of the Company. Assumptions for the share price volatility, risk free rate and expected life are required in order to determine the fair values at the date of grant. The derivative and financial liabilities are revalued at each period end using restated assumptions.

Other than the derivative and financial liabilities arising on the grant of share warrants in the period, there have been no material revisions to the nature and the assumptions used in estimating amounts reported in the annual audited financial statements of EnergyPathways PLC for the period ended 31 December 2025.

3. Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the loss for the period for continuing operations for the EnergyPathways Group by the weighted average number of ordinary shares in issue during the period.

The basic and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	6 months	6 months	12 months
	to 30 June	to 30 June	to 31
	2026	2025	December
	£	£	£
Loss for the purposes of basic earnings per share being net loss attributable to the owners	(1,952,757)	(607,201)	(1,659,501)
Weighted average number of ordinary shares	231,819,271	171,828,972	190,278,318
Loss per share (pence)	(0.84)	(0.35)	(0.87)

There is no difference between the basic and diluted earnings per share as there were no securities in issue as at 30 June 2026 that would have a dilutive effect on earnings per share.

4. Property, plant and equipment

	Group			
	Computer equipment	Motor vehicles	Asset under development	Total
	£	£	£	£
Cost				
At 1 January 2025	1,498	8,815	1,397,020	1,407,333
Additions	-	-	771,886	771,886
At 30 June 2025	1,498	8,815	2,168,906	2,179,219
Additions	-	-	1,073,544	1,073,544
Impairment	-	-	(167,591)	(167,591)
At 31 December 2025	1,498	8,815	3,074,859	3,085,172
Additions	-	-	1,397,045	1,397,045
At 30 June 2026	1,498	8,815	4,471,904	4,482,217
Depreciation				
At 1 January 2025	389	1,673	-	2,062
Charge for the period	246	1,451	-	1,697
At 30 June 2025	635	3,124	-	3,759
Charge for the period	250	1,466	-	1,716
At 31 December 2025	885	4,590	-	5,475
Charge for the period	246	1,451	-	1,697
At 30 June 2026	1,131	6,041	-	7,172
Net book amount at At 30 June 2026	367	2,774	4,471,904	4,475,045
Net book amount at 31 December 2025	613	4,225	3,074,859	3,079,697
Net book amount at At 30 June 2025	863	5,691	2,168,906	2,175,460

At the period-end, the Directors considered whether there were any external or internal indicators of impairment which would require an impairment test on the carrying cost of the MESH project disclosed under asset for development. The Directors concluded that there was no indicator of impairment and accordingly no impairment provision has been made.

5. Trade and other receivables

	<i>Unaudited</i> As at 30 June 2026 £	<i>Unaudited</i> As at 30 June 2025 £	<i>Audited</i> As at 31 December 2025 £
Other receivables	14,250	44,000	4,250
Prepayments	52,393	33,694	36,915
VAT receivable	329,662	73,189	252,393
	<u>396,305</u>	<u>150,883</u>	<u>293,558</u>

6. Trade and other payables - due within one year

	<i>Unaudited</i> As at 30 June 2026 £	<i>Unaudited</i> As at 30 June 2025 £	<i>Audited</i> As at 31 December 2025 £
Trade payables	637,400	213,385	527,221
Accruals	1,144,210	1,132,554	1,452,162
	<u>1,781,610</u>	<u>1,345,939</u>	<u>1,979,383</u>

7. Borrowings

	<i>Unaudited</i> As at 30 June 2026 £	<i>Unaudited</i> As at 30 June 2025 £	<i>Audited</i> As at 31 December 2025 £
Host Liability	477,180	-	-
Derivative liability	481,782	-	-
Other loans	-	105,514	-
	<u>958,962</u>	<u>105,514</u>	<u>-</u>

Host liability

<i>Unaudited</i> As at	<i>Unaudited</i> As at	<i>Audited</i> As at
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	30 June 2026	30 June 2025	31 December 2025
	£	£	£
			-
Drawdowns	1,630,000	-	-
Reclassification to derivative liability	(694,935)	-	-
Reclassification to financial liability	(419,280)	-	-
			-
Finance cost recognised (EIR)	99,407	-	-
Transfer from derivative liability on conversion	495,283	-	-
Transfer to equity on conversion	(633,295)	-	-
	<u>477,180</u>	<u>-</u>	<u>-</u>
Derivative liability	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	As at	As at	As at
	30 June	30 June	31 December
	2026	2025	2025
	£	£	£
Reclassification from host liability	694,935	-	-
Movement in fair value	282,130	-	-
Released to host liability on conversion	(495,283)	-	-
	<u>481,782</u>	<u>-</u>	<u>-</u>

On 30 April 2026, the Company announced that it had entered into a financing agreement comprising a £5 million convertible loan facility and a £10 million "At The Market" equity facility. The convertible loan facility can be drawn down in instalments as agreed by the parties and with each drawdown the Company will grant warrants to the lender. During the period ended 30 June 2026, the Company drew down £1 million on 28 April 2026 and £1 million on 1 June 2026. After fees, the amounts received were £790,000 and £840,000 respectively.

Because the loan facility includes a round down provision, the convertible element of the loan fails the fixed-for-fixed criteria. Accordingly, the loan has been bifurcated with the fair value of the conversion option for each drawdown reclassified as a derivative liability. The fair values at drawdown were £328,955 and £365,980 respectively. On 11 May 2026, the lender opted to convert 50%, being £500,000, of the first drawdown. The derivative liability was revalued as at that date and 50% of the value amounting to £495,283 was transferred to the host loan. An amount of £633,295 was then transferred from the host liability to equity on issue of new Ordinary shares. Following the revaluation of the derivative liability arising on the two drawdowns at 30 June 2026, a loss on revaluation of £282,130 was charged to the Income Statement.

The interest rate for the loan facility is 0%. A finance cost of £99,406 has been charged from the Host Liability to the Income Statement calculated using the Effective Interest Rate method.

Measure of fair value of the conversion option

The fair value of the conversion option has been measured using the Black-Scholes pricing model. Expected volatility has been based on an evaluation of the historical volatility of the Company's share price. The expected life is based on the contractual life of the loan.

The inputs into the Black-Scholes pricing model are as follows:

Grant date	28 Apr 2026	1 Jun 2026
Number	12,049,644	8,169,200
Exercise price	8.30 pence	12.24 pence
Expected life	1 year	1 year
Expected volatility	156.0%	159.9%
Risk free rate of interest	4.35%	4.14%
Dividend yield	Nil	Nil
Fair value of option	2.73 pence	4.48 pence

In order to revalue the Level 3 fair value, the principal changes to the input assumptions relate to the expected volatility, which has been recalculated at the period-end, the expected life of each drawdown, which has been reduced to the remaining life of each drawdown from the period-end date, and the movement in the underlying share price. Accordingly the expected volatility on revaluation has increased to 163.2% and 162% respectively and the underlying share price has decreased to 6.8 pence. Other input assumptions remained in line with those at the original date of drawdown. No sensitivity analysis has been provided as the results are not deemed material.

In accordance with the loan facility agreement, the Company is required to grant warrants with a three-year life to the lender in conjunction with each drawdown. The warrants granted on 28 April 2026 were valued at £202,437 and the warrants granted on 1 June 2026 were valued at £216,844 and reclassified to Financial Liabilities (see Note 8).

Other loan

In October 2023, the Company entered into a loan facility of up to £5.1 million with Global Green Asset Financing Limited ("GGAF") with interest to be charged at a fixed rate of 12.5% per annum. On 20 January 2025, an amount of £100,000 was drawn down against facility. Interest amounting to £5,514 has accrued for the period ended 30 June 2025. The loan was settled in 2025.

8. Financial liabilities - warrants

	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	As at	As at	As at
	30 June	30 June	31 December
	2026	2025	2025
	£	£	£
Reclassification from host liability	419,280	-	-
Movement in fair value	(66,623)	-	-
	<u>352,657</u>	<u>-</u>	<u>-</u>

In accordance with the loan facility agreement, the Company is required to grant warrants with a three-year life to the lender in conjunction with each drawdown. For the first drawdown on 28 April 2026, the Company granted 5,060,917 warrants with a conversion price of 8.30 pence per share and for the second drawdown on 1 June 2026 a further 3,431,073

warrants with a conversion price of 12.24 pence per share. Due to a round down provision, the warrants fail the fixed-for-fixed criteria. Accordingly, they have been initially recorded at fair value as a financial liability. The warrants granted on 28 April 2026 were valued at £202,437 and the warrants granted on 1 June 2026 were valued at £216,844. Subsequently the warrants were revalued at 30 June 2026 with a gain on fair value of £66,623 credited to the income statement.

Measure of fair values of warrants

The fair value of the warrants issued has been measured using the Black-Scholes pricing model. The warrants are considered to have vested immediately. Expected volatility has been based on an evaluation of the historical volatility of the Company's share price. The expected life is based on the contractual life of the warrants.

The inputs into the Black-Scholes pricing model are as follows:

Grant date	28 Apr 2026	1 Jun 2026
Number	5,060,917	3,431,073
Exercise price	8.30 pence	12.24 pence
Expected life	3 years	3 years
Expected volatility	132.2%	132.7%
Risk free rate of interest	4.09%	4.25%
Dividend yield	Nil	Nil
Fair value of option	3.87 pence	6.32 pence

In order to revalue the Level 3 fair value, the principal changes to the input assumptions relate to the expected volatility, which has been recalculated at the period-end, the expected life of each grant, which has been reduced to the remaining life of each grant from the period-end date, and the movement in the underlying share price. Accordingly the expected volatility on revaluation has decreased to 131.1%, for both sets of warrants and the underlying share price has decreased to 6.8 pence. Other input assumptions remained in line with those at the original date of grant. No sensitivity analysis has been provided as the results are not deemed material.

At 30 June 2026, the total financial liability for the 8,491,990 warrants (30 June 2025: nil and 31 December 2025: nil) not yet exercised was revalued and the balance at that date was £352,657 (30 June 2025: nil and 31 December 2025: nil).

9. Ordinary share capital and share premium

	Number of shares	Ordinary share capital £	Share premium £
Issued			
As at 31 December 2024 (<i>Audited</i>)	168,495,345	1,684,954	4,772,264
Issue of shares	13,424,040	134,240	609,452
Issue of shares for third-party services	1,213,742	12,137	80,655
Issue of shares for services	1,448,017	14,480	37,996
Issue of shares - warrants	500,000	5,000	20,000
Issue of shares - options	947,500	9,475	28,425

Release of provision on exercise of options	-	-	18,000
Share issue costs	-	-	(40,943)
As at 30 June 2025 (<i>Unaudited</i>)	186,028,644	1,860,286	5,525,849
Issue of shares for third-party services	1,936,949	19,370	71,675
Issue of shares for services	1,628,945	16,289	35,022
Issue of shares - share placing	9,411,762	94,118	226,882
Issue of shares - share subscription	22,716,661	227,167	937,833
Issue of shares for commission	719,332	7,193	35,967
Issue of shares - warrants	1,750,000	17,500	52,500
Transfer of provision on exercise of options	-	-	(18,000)
Share issue costs	-	-	(58,810)
As at 31 December 2025 (<i>Audited</i>)	224,192,293	2,241,923	6,808,918
Issue of shares - ATM	6,939,727	69,397	193,500
Issue of shares for third-party services	13,554,035	135,541	378,283
Issue of shares - share subscription	114,285	1,143	8,857
Issue of shares - loan conversion	6,024,822	60,248	573,047
Share issue costs	-	-	(11,261)
As at 30 June 2026 (<i>Unaudited</i>)	250,825,162	2,508,252	7,951,344

During the period to 30 June 2026 the Company issued:

- 6,939,727 ordinary shares under the At The Market Equity Facility at 1 penny each, amounting to £69,397. Subsequent to the issue the Company received a further £193,500 on the sale of 2,100,000 ordinary shares under the ATM Equity Facility.
- 6,024,822 ordinary shares on the conversion of £500,000, representing 50% of the first draw down under the Loan Facility.
- a total of 2,337,907 ordinary shares at an average price of 5.64 pence each to consultants and advisors in lieu of cash for services rendered.
- 11,216,128 ordinary shares to settle outstanding consulting fees due to a company related to Mr Ben Clube.
- 114,285 ordinary shares at 8.75 pence under a subscription agreement with Mr Ben Clube.

During the six months ended 31 December 2025 the Company issued:

- 9,411,762 ordinary shares with 9,411,762 warrants under placing and subscription agreements, whereby each place or subscriber received one new ordinary share at a price of 4.25 pence each and one warrant giving the right to one additional new ordinary share with an exercise price of 7.00 pence each.
- 22,716,661 ordinary shares with 22,716,661 warrants under placing and subscription agreements, whereby each place or subscriber received one new ordinary share at a price of 6.00 pence each and one warrant giving the right to one additional new ordinary share with an exercise price of 9.00 pence each. In conjunction with shares issued under subscription agreements, the Company issued 719,332 ordinary shares to settle commission payable.
- a total of 3,565,894 ordinary shares at an average price of 3.99 pence each to consultants, advisors and a former director in lieu of cash for services rendered.
- 1,750,000 ordinary shares on the exercise of warrants with an exercise price of 4 pence each.

During the six months ended 30 June 2025 the Company issued:

- 13,424,040 ordinary shares at a price of 5.54 pence each under placing and subscription agreements.
- a total of 2,661,759 ordinary shares at an average price of 5.46 pence each to consultants, advisors and a former director in lieu of cash for services rendered.
- 500,000 ordinary shares on the exercise of warrants with an exercise price of 5 pence each.
- 947,500 ordinary shares on the exercise of options with an exercise price of 4 pence each.

The ordinary shares confer the right to vote at general meetings of the Company, to a repayment of capital in the event of liquidation or winding up and certain other rights as set out in the Company's articles of association.

10. Warrants & Options

Equity-settled warrants

On 21 May 2026, the Company granted warrants over 10 million new Ordinary shares to Terra South Energy Pty. Ltd, a company connected with Mr. Ben Clube. The warrants will be exercisable for a period of three years from the date of grant with an exercise price of 9.0 pence per new Ordinary share. The fair value of the warrants amounted to £676,000.

The inputs into the Black-Scholes pricing model are as follows:

Grant date	21 May 2026
Type	Equity
Number	10,000,000
Exercise price	9.0 pence
Expected life	3 years
Expected volatility	136%
Risk free rate of interest	4.30%
Dividend yield	Nil
Fair value of option	6.76 pence

There were no other movements to options and warrants during the six months ended 30 June 2026.

11. Events after the reporting period

On 24 August 2026, the Company issued 875,054 ordinary shares at 7.03 pence each, amounting to £61,509, in settlement of consultancy and advisory fees in lieu of cash to members of the MESH Project management team for the three months ended 30 June 2026.

On 16 September 2026, the Company announced that it had filed patent applications covering key technology innovations it has developed in-house. The patent applications cover the Company's innovative technology for storing heat or thermal energy created through the compression phase of its CAES system. Thermal energy will be stored in sub-surface salt caverns and released at a later stage to improve round-trip efficiency of CAES energy storage to

as much as 72%. The technology efficiently enhances the CAES system's capability to deliver system flexibility across seconds, hours and days.

On 17 September 2026, the Company announced that it had signed a collaboration agreement with Finland's Hycamite TCD Technologies Ltd to evaluate its high-grade graphite and low-carbon hydrogen production technology for the Company's planned hydrogen plant.

There were no other significant post balance sheet events which would require amendment to or disclosure in the half yearly financial statements.

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