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Powerhouse Energy Group PLC
29 June 2026

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Powerhouse Energy Group plc
("Powerhouse" or the "Company")

2025 Audited Results & Upcoming Board Changes

Powerhouse Energy Group plc (AIM: PHE), a company pioneering integrated technology that converts non-recyclable waste into low carbon energy, is pleased to announce its audited results for the year ended 31 December 2025.

Powerhouse also announces that Paul Emmitt, Chief Executive Officer, has confirmed that due to a change in family circumstances he will not be standing for re-election at the Company's Annual General Meeting expected to be held on Thursday 3rd September 2026 at 14.00pm. Accordingly, Mr Emmitt will step down from the Board and as CEO at the conclusion of the AGM, at which point his employment will terminate in accordance with his service agreement. It is intended Paul will continue to work with Engsolve on a technical consultancy basis, with the details to be confirmed. David Hitchcock will assume an Executive Chair role at conclusion of the AGM until a replacement CEO is identified.

Summary of 2025 Financial Results and post period events:

Corporate:

- Strategy focused on the goals of delivering first projects and creating a qualified pipeline of opportunities - excellent progress has been made during the period
- During the period the Company prioritised and, more importantly, validated projects to be progressed, both where Powerhouse would act as developer and those where it would licence its DMG technology

Commercial development:

- Completion of Powerhouse Technology Centre in Bridgend, with the 2.5 tonne per day kiln for the Feedstock Testing Unit (FTU)
- Following completion of the FTU, significant interest has been seen from a number of global stakeholders and companies, leading to a significant pipeline of opportunities on which the Company continues to follow up
- Considerable progress made with National Hydrogen, Australia ("NH2"), with FEED being completed in June 2025. NH2 has now established the project SPV "National Waste to Energy", in which Powerhouse will hold a minimum of 5% equity stake
- On Ballymena, a lease agreement has been signed with planning permission now submitted. Discussions continue with several potential investors / funders for Ballymena
- Commenced an exciting new project with a Welsh battery developer, providing thermal processing expertise to modify test kilns and support the client in developing novel anode material

Technology and Innovation:

- A number of key patents granted in a number of regions expected to become key markets for the Company
- Six patents granted to date with no additional patent applications planned

Financial:

- PHE's waste to energy division generated its first revenues in January 2026 when the Company secured a contract with a Welsh based battery developer
- Revenue for 2025 was £1.23 million (2024: £499k), all derived from Engsolve activities.
- The Group reported an operating loss of £2,932,369 (2024: £4,705,025).
- Cash at bank at year end of £703,691 (2024: £1.31 million).
- In 2025, Engsolve reported an increase in annual revenues from £1.38m in 2024 to £1.46m in 2025 (includes intercompany revenue).
- Fundraises of £1.3m completed post the year end

Outlook:

- Ballymena continues to advance well across multiple workstreams
- Entered into a MENA, GCC and Asia Marketing Agreement with Green Gecko Energy Limited
- Granted a non-exclusive license to Hydrogen Utopia International PLC to promote the Company's Distributed Modular Generation ("DMG") technology across selected European markets.
- PHE participating in new Horizon Europe Innovation Action under HORIZON-CL6-2025-01-CIRCBIO-01: "JUST-CIRCLE - Measuring and Advancing Circular Business Models for a Fair and Sustainable Transition", which is being led by Brunel Business School at Brunel University of London.
- Continued focus on marketing the FTU in 2026
- Powerhouse currently has approximately several live enquiries, defined as opportunities the Company believes

- Powerhouse currently has approximately several five enquiries, defined as opportunities the Company believes have potential to become revenue-generating projects

David Hitchcock, Non-Executive Chairman, commented:

"This has been a hugely significant year for the Company. Whilst being finished in March last year the completion of the FTU has enabled the Company to showcase its technology to the industry, potential clients and investors; and has led to a very significant increase in in-bound enquiries about our technology and its potential. We are delighted with the interest that we have received and even more so as a number of these enquiries have the potential to become very real revenue generating projects.

"The team have continued to build on this and since the year end, we have seen a number of initiatives that we believe will help drive the growth of the business going forward. This with the progress that we are seeing with our current projects at Ballymena and with NH2 lead us to believe that 2026 is promising to be another strong year for the Company.

"I would also like to take this opportunity to thank all our shareholders for their continued support during the year and look forward to welcoming you all again to our head office to see if FTU, if you have not already done so, as well as providing further updates in due course."

"I would particularly like to thank Paul for his service and determination that has enabled the Company to progress to this stage and look forward to continuing our relationship in his new capacity."

A full copy of the Company's Report and Accounts for the year ended 31 December 2025 will be sent to shareholders shortly and available on the Company's website www.phegroup.com. The Notice of Annual General Meeting expected to be held on Thursday 3rd September 2026 at 14.00pm at a venue in London to be confirmed will be sent to shareholders shortly and will also be available on the Company's website.

For more information, contact:

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

About Powerhouse Energy Group Plc

Powerhouse Energy has developed a process technology which can utilise waste plastic, end-of-life-tyres, and other waste streams to convert them efficiently and economically into syngas from which valuable products such as chemical precursors, hydrogen, electricity, heat and other industrial products may be derived. PHE's process produces low levels of safe residues and requires a small operating footprint, making it suitable for deployment at enterprise and community level.

Powerhouse also incorporates Engsolve Ltd, which is a revenue generating business offering Engineering Services across all sectors, with speciality services in the development of new technologies and clean energy. Powerhouse Energy is listed on AIM with the ticker: PHE

www.powerhouseenergy.co.uk

CHAIRMAN'S STATEMENT

Firstly, I wish to thank my fellow Board members for their confidence and ongoing support as I lead the Group to achieve its growth goals.

The Board's strategy for 2025 was the follow on from that of 2024, where we successfully implemented the consolidation and stabilisation of the Group, demonstrating financial prudence but with the emphasis very much on commercial activation and project progression. I am pleased to be able to report to you that excellent progress has been made including Powerhouse signing its first contract with a Welsh battery developer, with revenue generation commencing in 2026.

Once again, I am delighted to say that our board remained stable with no changes throughout 2025 and most of 2026 thus maintaining a highly experienced group of Directors with long careers in Engineering or Finance which was vital for consistent decision making. I would like to thank the directors for all their efforts and wise counsel as we have worked through the implementation of the now established corporate strategy.

This strategy was designed and implemented during 2024. It includes a series of joint venture arrangements with project development partners. Our determination to follow the strategy has seen great progress, on our projects in Ballymena, Northern Ireland and with National Hydrogen in Australia and Asia. In Ballymena, we have signed a lease agreement and

Northern Ireland and with National Hydrogen in Australia and Asia. In Ballymena, we have signed a lease agreement and submitted a planning application; and in Australia we have completed the FEED and are now supporting funders in Australia to carry out their technical Due Diligence on the NH2 "project".

Our new Technology Centre in Bridgend is hugely important. It was designed and planned as a platform to establish a leading position for us in the waste-to-energy sector. It is now fully tested, operational and provides a showcase for the Company's DMG Technology. We have held a series of Open Days for shareholders and industrial customers alike throughout 2025 with very good feedback.

To support the Group's project development during 2025, the Company completed an equity fundraise to institutional and retail investors, raising aggregate gross proceeds of £1.375 million. Additionally, we were pleased with investors' further support in April and 2026 when we engaged Turner Pope Investments (TPI) Ltd and Bookbuild, which together raised £1.3 million before expenses.

We also continue to explore the right mix of equity and project finance options, given our growing list of project opportunities, to be ready on a case-by-case basis.

The Board has met the expectation of Powerhouse to prove its viability in a commercial context in 2025, whilst we developed our working relationships with third parties and maintain their confidence in order to deliver our projects economically.

Finally, I wish especially to thank the Executive Directors CEO Paul Emmitt and CFO Ben Brier for the work they have done during the year to advance the Group's position commercially and financially.

Paul Emmitt has confirmed that due to a change in family circumstances he will not be standing for re-election at the Company's 2026 Annual General Meeting. Accordingly, he will step down from the Board and as CEO at the conclusion of the AGM. It is intended Paul will continue to work with Engsolve on a technical consultancy basis. As a result, I will assume an Interim Executive Chair role at conclusion of the AGM until a replacement CEO is identified. We thank Paul for his service and determination that has enabled the Company to progress to this stage and look forward to continuing our relationship in his new capacity.

We are aiming for a breakthrough year commercially in 2026 as we continue to implement our Group strategy.

David Hitchcock OBE
Non-Executive Chairman
Date 26 June 2026

CHIEF EXECUTIVE OFFICER'S REVIEW

2025 was the year that saw the best commercial advancement for Powerhouse to date. We continue to move the Group towards its goal of revenue generation, profitability and being at the forefront of the waste-to-energy sector.

PHE's waste to energy division generated its first revenues in 2026 through securing a contract with a Welsh based developer of battery anode materials. The contract includes the supply of pyrolysis / gasification expertise and the rental of small-scale kilns developed and built by Powerhouse. The contract value is approximately £260, 000 split over a 12-month period.

My objective in 2024 and 2025 was to refocus the Group on the goals of delivering its first projects and create a qualified pipeline and I am delighted to say we have made great progress (as highlighted below) and 2026 looks to be a major milestone year in the Group's history. These are projects that have met important development criteria including but not limited to, planning permissions, a feedstock agreement detailing the composition and quantity of feedstock available, an offtake agreement, an agreement that details what the required output is (Syngas, heat, hydrogen). This enables the Powerhouse team to assess technical commercial and financial viability of a project before we invest time and capital developing them to progress the Group towards becoming a profitable enterprise. We will continue to apply a full project review and at this time have prioritised the projects as detailed below.

Pipeline Highlights

The prioritised and more importantly validated projects that we took into 2025 have progressed and will remain the focus of operations into 2026:

National Hydrogen, Australia (NH2)
Further to the Company's announcement of the completion of the FEED in June 2025, NH2 has now established the project SPV "National Waste to Energy", in which Powerhouse will hold a 5% equity stake. In return, the Company is providing to NH2 (and the SPV) support to progress towards FID (Final Investment Decision) on its Perth project. As part of working towards this, NH2 has also received a signed Offer to Lease from the Western Australian Government for up to 50 years, for a strategically located and appropriately zoned site which is large enough to accommodate two of Powerhouse's patented Distributed Modular Generation ("DMG") trains in the Rockingham Strategic Industrial Area, just south of Perth.

The project being delivered is expected to be undertaken in a phased approach as outlined below:

- Phase 1 - Construction of a single ~40 Tonne Per Day ("TPD") train DMG producing power.
- Phase 2 - the initial ~40 TPD single train will have a pre-deigned Hydrogen separation and compression unit added to allow Hydrogen production as the hydrogen market grows for heavy transport solutions.
- Phase 3 - Construction of a second ~40 TPD DMG train.

National Waste to Energy has also completed a power offtake agreement with the largest independent commercial energy provider in Perth and wider Western Australia. In addition, National Waste to Energy has secured a feedstock agreement for sorted mixed plastics with a company that has very significant experience in the waste management business.

Powerhouse is also supporting NH2 with the provision of technical documentation such as Patents, FEED package, licence agreements etc, for a large UK based, international commercial finance company currently undertaking financial due diligence on the project. As this is a client driven project, the Company is working to their timescales

and will provide further updates as they are available.

We introduced potential funders, Charter HCP, to NH2. NH2 went forward with this, and we have worked with them on the due diligence. The due diligence continues, with the proposed EPC contractor having supplied their relevant information for review. We are also utilising our agreement with Green Gecko to investigate potential funding routes.

The next phase of this project will be under NH2 control, which will be obtaining the planning and permitting for the facility along with them securing full funding.

Ballymena, Northern Ireland
In 2024 we reported that we encountered challenges regarding the site that slowed projected progression. These were successfully dealt with and a lease agreement has been signed and planning permission has been submitted.

We are in conversation with several potential investors / funders for Ballymena all of whom are currently keen. We are also looking at smaller sites that would include a filling station to try and reduce project costs and improve return.

Conversations have resumed with the Michelin fund and Invest NI. Powerhouse has also maintained an ongoing conversation with the local Council as well as with the Mid and East Antrim Council who have continued to be keen and have offered assistance at every opportunity.

The proposed facility is a single train 40 Tonne Per Day (TPD) plant, taking in 40 Tonne Per Day of non-recyclable feedstock, and has been designed to produce approximately 3 tonnes of Hydrogen per day, along with approximately 1.3 MW (e) exportable power. The location is ideal in that it has most of the required infrastructure in place, is a flat rectangular site, on an industrial zoned larger site. It has good transport links, with several potential Hydrogen off takers in a small radius of the proposed facility.

- Following the first round of consultations on planning, we will commence the permit application for the facility.
- We continue to meet with both the Michelin fund legacy fund manager and Invest NI concerning potential funding.
- We have an indicative feedstock agreement in place but are also speaking to an alternative supplier to ensure supply. Both of these alternatives are local to the site.
- We are engaged with Hydrogen off takers and discussions are ongoing.
- The strategy for the facility is that Powerhouse will take the development through FEED to Financial Investment Decision and look to raise project finance either alone or with a partner to construct the facility.

Notable agreements and pre- approved projects

Green Gecko

- Green Gecko will introduce Powerhouse to potential opportunities to utilise the Company's technology and business model exclusively across the MENA region; with an initial focus on the Gulf Cooperation Council ("GCC") and Egypt.
- Several opportunities have already been identified for Powerhouse by the Green Gecko team to potentially utilise the Company's technology on an industrial scale to process waste and generate power.

- Below is a summary of the current Green Gecko pipeline:

    - Identified a potential partner in Bahrain who has a significant opportunity for a rapid deployment of a high-temperature pyrolysis (HTP) modular solution, which can be expanded as performance and offtake markets are proven.
    - Exploring opportunities in Kuwait and Oman for the installation of initial pilot sites, predominately to address the processing of tyres and other elastomers and/or polymers as well as plastic(s).
    - A potential partner in Egypt who is working with the Egyptian Government to deliver contracted waste-processing solutions, which include HTP.
    - In addition, the Green Gecko team believes there is scope for the development of micro grids providing power to smaller industrial sites as well as energy for villages in the MENA region.

Corporate and Operational Highlights

Patents

The Group was awarded further patents in 2025, which brings our patent holding to that shown in the table below. We presently have submitted no additional patent applications:

	Patent Family		
	Fuel Mix	Temperature zones	Steam Ratio
Australia	Granted	Granted	Granted
Canada	Pending	Pending	Pending
Europe	Granted	Granted	Granted
GCC	Pending	Pending	Pending
Hong Kong	Granted	Not filed	Not filed
Indonesia	Granted	Granted	Granted
Japan	Granted	Granted	Dropped
USA	Granted	Granted	Granted
UK	Granted	Under Europe	Under Europe

Technology Centre

The technology centre including the FTU was completed on time and under budget and a Capital Markets Day was held on 4 March 2025. In the six months following Capital Markets Day, the Powerhouse team was actively testing, validating, and refining the DMG system. Initial trials, using raw plastics, have delivered excellent results that were consistent (and in certain cases, better) with both our model predictions and previous small-scale tests.

Testing has now progressed to mixed plastics in raw and "real" waste forms which have also aligned well with our models and, encouragingly, showed slightly higher hydrogen content in the resulting syngas than anticipated. The next phase of testing involved improving the efficiency of the downstream systems and optimising the DMG temperature profile.

The Pilot plant, or as we refer to it the FTU, has a capacity of up to 2.5 TPD of feedstock. This is fed via a screw feed into the DMG unit, where temperatures can reach 1,100°C, the sequestrated carbon is then fed out of the bottom of the DMG unit and the generated hot Syngas from the top of the DMG unit into a purpose-built quench and gas cleaning system. From the Gas clean-up system, the now cold and cleaned Syngas runs through a state-of-the-art gas analyser before exiting to the external ground flare. The FTU was designed to showcase the DMG technology on a pre commercial scale.

The FTU also allows Powerhouse to demonstrate its IP, provide testing for future clients and to further develop its offerings. It was designed, built and commissioned by Engsolve, and will be operated by Powerhouse. The Powerhouse research and development team will utilise the system for development, process optimisation and for the development of future IP.

We are offering testing packages for those with non-recyclable waste and have the capacity to allow third parties to test their downstream processes by utilising the syngas output from the FTU.

Engsolve

Engsolve continues to prove extremely beneficial to the Group, having provided the Group with critical engineering services enabling us to design and build out the Technology Centre as well as generating revenue.

In 2025 Engsolve started the year at pace coming from both new and existing customers. The performance in the second half identified a need to address the commercial activity responsibilities. A slower start to 2026 was predicted and until the last week of April 2026, that forecast was correct until two orders were received from existing customers for a sum of £330k.

2025 highlights include building a first of a kind aluminium recycling pilot plant which became a go to for carbon capture technology due diligence. Whilst the building of pilot process plants brings good revenue the profit margin is lower than for consulting.

Financial Highlights

The highlights from the financial report are as follows. Further information is covered in the strategic report.

The Group reported an overall loss in 2025 of £2,932,369. The Group loss in 2024 of £4,705,025 (Included £2,300,000 Goodwill Impairment) as it continued to develop the technology and pipeline.

Revenue for 2025 was £1,232,766 (2024: £499,414) which was derived from Engsolve providing Engineering Services to third party customers. The Group will be looking to continue providing third party Engineering Services through Engsolve Ltd and to further develop this revenue stream, both through internal and external work. Non engineering revenues will be generated by Powerhouse as laid out in the business strategy below.

Business strategy

Our business strategy has shown to be productive and has brought commercial improvement and financial stability to the Group. The interest has grown as has the number of enquiries, the adherence to our project validation criteria has enabled the commercial team to stay focussed on projects with the highest probability levels. The Board is confident this momentum will grow, in particular since the beginning of the war in the Persian Gulf. Countries and businesses are now more fervent in searching for alternatives to natural gas. Powerhouse is well placed to take advantage of this global issue and to leverage the energy security opportunity.

Our commercial strategy continues to be focussed on Licensing fees, Royalties and Engineering Services revenues. We are also testing waste streams from clients, as was forecast in last year's report. This strategy has enabled us to use our funding on running costs and further technical research and development.

In summary, Powerhouse continues to make commercial progress following our now tried and tested strategy. We have built a project pipeline that is commercially and financially viable. In addition, we now have a good order book of work for Engsolve enabling growth in revenues and enabling us to build our technical capabilities for the benefit of the Group.

It is however time for me to step away from the business, as noted in the Chairman's statement above. This has been a hard decision for me and my family. However, I believe it provides Powerhouse with the opportunity find a CEO that can take the technical platform that we have, our project pipeline and enquiries to the next level.

I would like to thank all our shareholders for the support they have shown me over the past years, and the staff that have facilitated the progress of the company. I hope that I am leaving Powerhouse in a strong position and look forward to its ongoing success.

Paul Emmitt
Chief Executive Officer
26 June 2026

STRATEGIC REPORT

This strategic report presents the Directors' opinion regarding the future direction of the Group and contains certain forward-looking statements. These statements are made by the Directors in good faith, based on the information available to them at the time of writing and such statements should be treated with caution as they address uncertainties.

The Vision and the Mission

Powerhouse's vision remains to be a leader in technology solutions that utilise non-recyclable wastes to produce sustainable energy whilst mitigating climate change impacts.

The Group's mission is to provide flexible, innovative solutions to global pollution and adverse environmental impacts by converting such non-recyclable wastes into valuable end-products, including low carbon energy. We will work with clients and partners to evaluate, design and develop facilities and will license third party developers to deliver similar facilities that reduce environmental impact.

The Commercial Offering

The commercial offering of Powerhouse is to apply its expertise in engineering and technology delivery to the development of facilities that can generate continuous profit streams for the Group through design consultancy and client management fees, licensing and royalty agreements. It specialises in low carbon energy production from waste materials but is able to apply its know-how and expertise to any application that reduces the impacts to the environment, both pollution and climate change.

The Group has developed as its core technology in pyrolysis/gasification and proprietary control system, based upon the Powerhouse Energy Rapid Modelling System that can process organic or fossil-based carbonaceous materials using pyrolysis and gasification. This produces a synthetic gas (or syngas) that can produce a range of products including:

- Gaseous fuels
- Electrical power
- Heat
- Chemical feedstocks
- Char
- Liquid fuels

Sources of Revenue

Our revenue generation will be derived from:

- Licensing our technology to developers globally
- Royalties - revenue sharing from output of Powerhouse designed solutions
- Engineering design
- Project and client engineer fees

Project Development

To develop an operating waste-to-energy facility based on the Powerhouse solution requires a construction and commissioning programme of at least 18 months. Many of the key component parts that are required are sourced from specialist manufacturers based overseas, including the Far East. The current situation in the Persian Gulf may extend delivery periods due to ongoing supply chain issues.

Planning and environmental approvals are the major components that extend the delivery time for projects particularly in the UK. The former strategy meant we incurred costs many months or years prior to expected revenues. Our current strategy includes payment for feasibility and engineering designs before financial close. Therefore, it is increasingly important that projects are validated before heavy costs are incurred.

As in previous years, shareholder funds will finance working capital and this will remain the case until sufficient revenues are earned from commercial activities. We will actively look to engage in developing projects, possibly in partnership due to difficulties in raising capital at our current size. This position remains open to change in the event of a project and project partner of sufficient standing that would give the market confidence enough to provide funding.

Engsolve will continue to provide third party services to external clients and the intention is to grow Engsolve's client base and revenues. There is an extensive commercial strategy review in process.

Research & Development (R&D)

The purpose-designed **Feedstock Testing Unit** has now been fully operational for a year and it has proved to be a valuable marketing tool when clients have visited the site, resulting in live enquiries for full size units which are presently in the validation process.

It remains the ambition of the board for our R&D team to be experts in thermal treatments and associated materials behaviour, and for the Powerhouse Technology Centre to become a profit centre.

Road to Revenue

Continuing from last year's Capital Markets Day and a concerted effort centred around the working FTU to raise marketing visibility, Powerhouse has seen further increases in interest from global stakeholders and potential clients. Enquiries have come from a range of global blue-chip and industrial companies. The increase in interest has provided Powerhouse with further insight into market requirements and the specific challenges clients face, particularly in the additional context of the current global energy crisis, such as reducing landfill dependency, replacing fossil fuels, and progressing toward Net Zero targets.

The Group's marketing efforts are concentrated on a group of potential clients who are best aligned with its technological offerings. These include large waste producers and handlers, local councils and municipalities seeking sustainable waste solutions, current incinerator operators exploring alternative technologies, and heavy industries that are significant energy users looking to decarbonise.

Powerhouse's place in the market remains unique, the DMG technology is proven and demonstrable with the operational Feedstock Testing Unit. Its ability to support carbon sequestration initiatives makes it particularly attractive in a climate-conscious market. The modular design of the technology allows for adaptable outputs tailored to different client needs, whilst its flexible feedstock capabilities enable processing of a wide variety of waste types. In terms of market positioning, Powerhouse effectively bridges the gap between conventional landfill solutions and large-scale energy-from-waste facilities.

Powerhouse has established three core commercial offerings to cater to a wide range of client requirements and financial scenarios.

Model 1:
Turnkey delivery - the rapid deployment of a standalone 2.5 Tonne Per Day unit (which is the equivalent to the scale of the FTU). Clients benefit from a streamlined process from order to operation, typically completed within 8 to 12 months and are supported by an after sales team for maintenance and technology and access to licenced technology.
Benefits to Powerhouse include a shortened cycle and earlier project completion and revenue into the Group.

Model 2
A technology provision model, as used in the National Hydrogen project, Powerhouse delivers a paid for Front End Engineering Design through its engineering subsidiary Engsolve. Engsolve then supports the client's team throughout the detailed design phase. Powerhouse retains intellectual property rights, which are licensed annually, and collects royalties from the facility's product output. Although this model provides less control over the project timeline, it is low-risk and a long-term revenue generator. For a typical 40 tonne per day hydrogen-generating facility, potential annual royalty revenues are estimated to be around £1 million. Revenue is expected to begin between 24 to 30 months after completion of the Front End Engineering Design.

Model 3
Full design, build, and operation or sale of a facility. This approach allows Powerhouse to maintain control from inception to completion, planning, permitting, and funding stages. While this strategy involves higher risk and longer timelines, it also offers significantly higher returns, reflecting the increased project ownership and associated investment-grade internal rates of return. Once all permits and funding are secured, construction is expected to take between 18 to 24 months.

Powerhouse is actively engaged in several projects aligned with these three offerings.

The National Hydrogen project, following the technology provision model (Model 2), the FEED was completed in June 2025. Planning and permitting applications are currently being developed. The onboarding of the engineering, procurement, and construction (EPC) contractor is ongoing, and build start dates remain undetermined. PHE expects to begin receiving revenue from this project approximately 30 months after completion of the Front End Engineering Design.

The Ballymena project falls under the design, build, and operate/sell model (Model 3). The site has been secured and cleared, with the pre-Front End Engineering Design phase completed. Planning application was submitted in December 2025, alongside the signing of the agreement to lease. One feedstock agreement has been finalised, and negotiations are ongoing for additional contracts and hydrogen offtake agreements. Debt and project finance discussions are also underway, and decisions are currently being made regarding the EPC versus EPCm route. Assuming funding is secured, and project timelines are met as expected, revenue generation from this project is estimated to begin in the first quarter of 2028.

To support the rollout of DMG facilities and expand third-party service offerings, Engsolve plans to establish a local presence near each site. This approach will not only facilitate operational support but also contribute to broader revenue streams for the group.

Powerhouse will strategically grow both its own team and the Engsolve team over the next 12-18 months to allow us to meet market demands and offer a wider service to clients.

Powerhouse is well-positioned to transition from demonstration to commercialisation. By deploying its proven technology through a structured and diversified revenue model, the Company is prepared to meet global demand for its sustainable waste-to-energy solutions. The strategic alignment of offerings, client targeting, and project execution will serve as the foundation for long-term growth and value creation.

Principal Risks and Mitigations

The Board of Directors is responsible for ensuring that the risk register is maintained and updated. This ensures a reasonable, but not absolute, assurance that significant risks are mitigated and managed to an acceptable level.

The Executive Directors are responsible for establishing and maintaining the risk register on all capital projects. This identifies risks and assesses their potential impact using quantification techniques. Mitigations are then considered, and the residual risk identified.

Significant risks are those which if materialise will have material impact on the Group's long-term performance and delivery of its business strategy. These are summarised in the following table.

Risk	Description	Mitigation
Operations	Greater than anticipated increases in global pricing and pressures on supply chain adversely impact financial viability of capital projects. Supply chain manufacturing capacity is constrained and cannot meet required delivery times. Longer development timescales than anticipated. Key contractors/suppliers are unwilling to provide required performance guarantees.	All suppliers to be pre-qualified for their relevant experience and stability. Regular review of supply chain and maintain competitive tension. General cost-side inflation will be reflected in offtake price escalation. Contract security and performance requirements to be included in all major supplier contracts, where possible. In-house team to be strengthened with competent personnel, whilst also working with experienced partners.
Technical Risk	Risk that the technical solution chosen does not perform to the standards anticipated	Pyrolysis and gasification are well established technologies, widely reported in research literature

	anticipated.	literature. Substantial testing of the feedstock conversion to syngas process has been carried out by PHE using the Demonstrator Unit at Thornton. Powerhouse works with academia to deploy latest computer-aided tools. Independent due diligence on the process will be carried out prior to implementation. The new FTU installed at Bridgend will have the capability of simulating the commercial kiln to enable predictive testing to be performed.
Intellectual Property	Patent applications may not be granted. Patents may be contested. Maintaining patents is costly and cannot cover the whole world.	Patents give Powerhouse unique control over its technology, but knowhow and expertise is considered to be more important and can mitigate against copying. Align Patent maintenance with strategic business needs.
Government Policy	Drivers of demand for pollution reduction, recycling and climate change avoidance rely on support from Government policy. Policy supports for reducing CO_2 emissions and counterfactuals are important to provide Powerhouse with competitive advantage.	Maintain presence and communicate with government departments on Low Carbon Fuels Standards. Currently counterfactuals are not recognised within UK policy.
Competition	Competition may depress revenues or even act as a barrier to Powerhouse's entry to the market.	The evidence to establish and deliver commercial projects acts as a high barrier to entry, which deters competition. Powerhouse is not aware of any significant competitor within its business strategic area. Once access to land is established, competitive pressures lie with waste gate fees and offtake sales. PHE strategy now is to target waste streams that can command adequate gate fees and adapt offtakes to match market demand - hence the broadening of offering beyond plastics and hydrogen.
Funding of working capital/cash flow	Cost of development significantly above ability of shareholder equity to fund. Cash position inadequate to fund project development.	All capital projects are programmed, budgeted and the spend controlled. Cash flow is managed and reviewed monthly. New business strategy of providing engineering services through Engsolve will improve cash flow. The Group considers various forms of funding at a Group and project specific level.
Financing of capital projects	Shareholder equity cannot finance capital projects. Cost of capital projects increase and depress IRR below investment level.	Project finance approach to be followed. Powerhouse will de-risk each element required to achieve an investable project. Move away from high capex projects to partnership or licensing models. Engineering design completed. Specifications available for plant & equipment to be contracted using model form contracts. Projects value engineered to minimise cost prior to design freeze. Capital costs to be fixed as early as possible. Currency risk to be hedged.
Feedstock supply risk	Feedstock unavailable or only at negative gate fees.	Feedstock supply risk will be held by developer / client. Powerhouse will only validate projects that have feedstock supply agreements in place.
Offtake market risk	Offtake market at different price point than anticipated. Lack of demand for offtake.	Offtake agreements will be outside scope of Powerhouse, other than when Powerhouse carries out commercial feasibility study on behalf of a client. Off take agreements will be required for validation. These studies will be paid for by the client.
Regulatory	Regulations may change.	Projects designed to meet existing regulations.

and Compliance Risk		Change in law provisions included in project contracts.

Key Performance Indicators (KPIs)

The Group now has 14 full time equivalent employees and has high level KPIs across all aspects of the business, including business development, operations and finance.

The top level KPIs

- Sign and commence first licensed commercial project
- Develop and maintain technically and commercially qualified project pipeline that will have five projects in design within the next six years

Financial measures

- Underlying profit and loss to measure the Group's profitability for the year attributable to equity shareholders of the Group. It will exclude exceptional items, remeasurements, timing and force majeure incidents from the calculation;
- 2024 revenue was £499,414 with a loss of £4,705,025; and 2025 revenue was £1,232,766 with a loss of £2,932,369.
- Research and Development spend. This will measure expenditure invested in the development of decarbonisation of energy systems and will provide a transparent view of the Group's compatibility with reduction in contamination, pollution and climate change mitigation.
- R&D rebate qualifying spend due for 2025 of £470k against a qualifying spend in 2024 of £673k. The higher qualifying spend in 2024 was due to the R&D attributable to the FTU development and commissioning.
- Return on capital employed (ROCE). The Group will provide a target and forecast on the potential ROE of its capital investments to provide an indication of its performance in generating value for shareholders.

Non-Financial Measures

- Contamination & Pollution Reduction. This is a projected measure of the reduction the Group's projects will have on reducing contamination and pollution by the waste products processed by the Group's capital projects and engineering services provided to others.
- Business Development metrics such as a rolling pipeline of opportunities being taken through from viability studies to FEED, financial close and into build.
- Climate change mitigation. This is a projected measure of the reduction the Group's projects and engineering services will have on reducing climate change impacts.
- Stakeholder satisfaction. Customer and stakeholder satisfaction will be measured with a view to maintaining engagement with these groups and improving service levels.
- Employee Engagement. The Group will measure how engaged our employees feel, based on the percentage of favorable responses to questions repeated annually in our employee engagement survey. The target will be to increase engagement compared with the previous year. A review of diversity within the workforce will also be carried out with a view to increasing diversity as the workforce grows.

Statement of Directors' Duties to Stakeholders under s.172 Companies Act 2006

The Directors acted in good faith throughout the year with a view to promoting the long-term success of the Group for the benefit of its members, with due regard to stakeholders and the matters set out in section 172 of the Companies Act 2006.

The Board recognises its responsibilities to each of the Group's stakeholders and to society and have endeavoured to ascertain the interests and views of its stakeholders and consider these when making decisions. The Board acknowledges its responsibility for setting and monitoring the culture, values and reputation of the Powerhouse Energy Group, and seeks to live by its values.

When making decisions, the Directors have regard to all stakeholders but acknowledge that not every decision will result in a preferred outcome for all. The Group regards its shareholders, employees, customers, contractors, consultants and advisors, business partners and suppliers as forming part of the wider stakeholder group. The Board strives to balance the different and competing priorities and interests of our stakeholders in a way compatible with the long-term, sustainable success of the business and which maintains a standard of business conduct aligned to our values and purpose.

The Directors are aware of their duty under section 172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole and, in doing so, to have regards (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The interests of the Group's employees;
- The need to foster the Group's business relationships with suppliers, customers and others;
- The impact of the Group's operations on the community and the environment;
- The desirability of the Group maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Group.

The Board recognises that the long-term success of the Group requires positive interaction with its stakeholders. Positive engagement with stakeholders will enable our stakeholders to better understand the activities, needs and challenges of the business and enable the Board to better understand and address relevant stakeholder views which will assist the Board in its decision making and to discharge its duties under Section 172 of the Companies Act 2006.

We reproduce here the Code of Conduct of the Group for easy reference, which the directors believe meet the requirements of s172 of the Companies Act 2006.

Group's Code of Conduct

1. **Introduction**

This Powerhouse Energy Group (Powerhouse) Code of Conduct is a steering document that defines how the Group will act towards its employees, towards its clients, business partners, suppliers, competitors, and other organisations in all situations related to our business. The Code of Conduct is an integral part of the Group's

organisations in all situations related to our business. The Code of Conduct is an integral part of the Group's Environmental, Social and Governance (**ESG**) Strategy and defines our corporate responsibility in society.

It is mandatory that this Code of Conduct is understood and complied with by all personnel working for the Group and its subsidiaries or on their behalf, including Representatives.

The Powerhouse Board of Directors are ultimately responsible for the Code and its implementation. The Board will monitor its compliance through annual performance reviews, annual employee surveys and internal and external audits.

All Powerhouse officers, employees and those representing the Group represent the Group's brand and reputation through the solutions and value we create and through our behaviour.

2. Our People

Powerhouse will maintain a structured recruitment process with a structured performance appraisal and talent management process. We will create development opportunities and continuous learning for our employees. By encouraging a feedback culture and working with the insights from our employees, we increase their engagement.

It is the responsibility of each employee to look after their own personal and professional development, but at all times supported by the Group. Employees will be given equal opportunities for professional development both within their existing fields and in new areas.

The Group believes that diversity is an important asset within the Group and in our relationships with clients and stakeholders. We promote equal rights and opportunities of employees in the workplace regardless of their gender identity, age, ethnicity, religion or other belief, disability, or sexual orientation.

3. Social Responsibility

The Group accepts continuing responsibility for its services to its clients and thereby to society. The Group will permanently contribute to the benefit of its clients and society through sustained technological development and personnel training aimed at improving its performance.

Sustainability is a permanent goal in every project. The largest contribution to sustainability lies in the projects Powerhouse develops and has three facets:

1. Our projects must contribute to sustainable development;
2. We will strive to increase the sustainability performance of our clients' projects; and
3. We will act sustainably in our own operations and performance.

Powerhouse is committed to improving the lives of people and to respect human rights. We aim to always act in a socially and ethically responsible way, within the laws of the countries in which we operate. We support and respect human rights, as defined by the UN in the Universal Declaration of Human Rights.

4. Quality of Service

The Group will only undertake project assignments in its areas of expertise where it has the capabilities to deliver efficient and effective service to its clients. We are committed to providing high quality services to clients and will focus on quality management as a working methodology and on permanent improvement to improve that quality of service. It is our intent to be certified in Quality, Environment and Health & Safety in accordance with ISO 9001, ISO 14001 and ISO 45001 and we are committed to continuously improving our management system. We should note that the integration of Engsolve brings with it full ISO 9001 and 14001 accreditation and a robust management system that can be adopted by Powerhouse.

Health and safety is a top priority for the Group, with a zero-incident target. We are committed to eliminating hazards, reducing risk and ensure that health and safety information, instruction, training, and supervision is provided to all.

The Group is committed to the continual improvement of its knowledge base, abilities and tools in the area of its expertise. The Group will focus on technology management as a working methodology and shall extend to its clients the benefits of its professional achievements.

5. Objectivity

Powerhouse will be loyal to its clients and will maintain the confidentiality of any information from the client that is obtained in the process of performing services. The Group will also keep confidential the documents and reports prepared for the client.

The Group will avoid any conflict of interest and will inform a client beforehand of any potential conflict of interest that could emerge during the execution of its services.

The Group will only offer its services under contracting terms that do not interfere with its independence, integrity and objectivity.

Powerhouse will not accept any remuneration that could encourage the offering of a biased opinion.

6. Corporate integrity

Powerhouse complies with all applicable laws, regulations, and other requirements applicable to operations in the countries where Powerhouse is active. This Code applies to all parts of the organisation, irrespective of where we are based, or where our projects are performed.

The Group will operate and compete in accordance with the legislation of each territory in which it operates and will not accept fraud, corruption, bribes, or unpermitted competition-restricting practices. We are committed to supporting international and local efforts to eliminate corruption and financial crime. We will not commit to activities that we cannot defend or account for, and we must not make decisions based on improper relationships or personal relationships. We also undertake to maintain correct and accurate accounting and reporting in accordance with the accounting rules in each territory in which we operate.

The Group will act at all times for the benefit of clients, and will carry out services with professional integrity, whilst not jeopardising the interests of society.

The promotional activity of the Group and its services will uphold the dignity and reputation of the industry. Brochures and other formal documents describing resources, experience, work and reputation will reflect the Group's actual circumstances in a truthful manner.

The Group will manage with integrity its internal and external clients. It will focus on business integrity management as a working methodology.

We respect the privacy of individuals and recognise the importance of personal data entrusted to us by our employees, clients, and other parties. Confidential information received by Powerhouse from clients and other external parties must as a minimum be treated and protected in the same way as the Group's own confidential information. It is the responsibility of every employee and representative to process and protect all personal data compliant with the applicable privacy legislation in a relevant and proper manner.

Employees and representatives must report any violations of business ethics or human rights that arise in their course of work, even if the Group is not directly involved or party to it. In addition, employees should report incidents

which could be a breach of business ethics and may remain anonymous if they so wish.

7. Communications
Powerhouse employees are encouraged to communicate and share information but must at the same time ensure that the Powerhouse brand is strengthened and not weakened.

Our communications must always reflect, protect and develop the Group's position in the market as well as show that we are available to our stakeholders. Every Powerhouse employee and representative is an ambassador for the Group. Communications must support the Group's business goals and profitable growth strategy while securing a cohesive brand identity in the market. All managers are responsible for ensuring that they and their employees comply with the guidelines that apply for communication within and from Powerhouse.

As a Group quoted on the AIM Market of the London Stock Exchange, we are obliged to communicate anything related to, *inter alia*, the Powerhouse business, financial condition and results in line with the laws and rules that apply to such companies. We report transactions correctly and in a true and fair way.

8. Competition
The Group will only solicit work and participate in private and public competitive tendering under a high standard of corporate ethics and competitive practices, and with total integrity in its transactions. The Group will not participate in prohibited anti-competitive activities, illegal price-fixing agreements, market sharing or abuse of dominant position.

The Group favours quality-based selection for the contracting of services.

If solicited to review the work performed by another Group, the Group will act in accordance with its business integrity and objectivity policies.

The Group will not endorse compensation or contribution arrangements destined to influence or secure work, nor seek commissions from suppliers of equipment and services recommend it to the client as part of the Group's services.

The Group will not take part in activities that could damage the reputation of its business or the business of others.

Paul Emmitt
Chief Executive Officer
26 June 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POWERHOUSE ENERGY GROUP PLC

Opinion

We have audited the financial statements of Powerhouse Energy Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025, which comprise the group Statement of comprehensive income, the group and company Balance sheets, the group Statement of cash flows, the group and company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including UK adopted International Accounting Standards applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the 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 December 2025 and of the group's loss for the year then ended;
- the group 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 as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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 Auditors' responsibilities for the audit of the 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 financial statements in the United Kingdom, including the Financial Reporting Council'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 opinion.

Summary of our audit approach

Key audit matters	**Group** · Going concern basis of preparation · Carrying value of intangible assets · Fixed assets under construction · Share based payments
Materiality	**Group** · Overall materiality: £97,000 (2024: £120,000) · Performance materiality: £72,500 (2024: £90,000) **Parent Company** · Overall materiality: £81,000 (2024: £100,000) · Performance materiality: £60,750 (2024: £75,000)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 100% of loss before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including 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. These matters were addressed in the context of our audit of the group financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit addressed the key audit matter
Going concern basis of preparation A key focus of our audit was to assess whether the financial statements have been appropriately prepared on a going concern basis. The parent company remains pre-revenue and is therefore reliant on continued external funding and financial support from the wider group to meet its liabilities as they fall due. We also noted that the group's reserves have increased/decreased during the year, from £4.4 million to £3.8 million, which further emphasises the importance of evaluating the group's ability to continue as a going concern. The directors have assessed the group's ability to continue in operational existence for the foreseeable future and are of the opinion that it is appropriate to prepare the financial statements on a going concern basis.	**Our audit procedures:** We assessed the group's available cash resources, the impact of the reduction in reserves during the year, and management's cash flow forecasts. We also considered the assumptions used in these forecasts and whether they remained reasonable considering current operations and future funding plans. Our procedures included: · Reviewing management's going concern assessment, including forecast cash flows and underlying assumptions · Assessing the availability and terms of financial support from the wider group · Considering whether post-balance sheet events suggested any material uncertainty · Performing sensitivity analysis on key assumptions such as costs and timing of funding Based on the evidence obtained, we found management's use of the going concern basis to be reasonable and consistent with our understanding of the group's financial position and funding arrangements.
Carrying value of intangibles A key balance on the statement of financial position is intangible fixed assets of £346,289 (2024: £271,391) at 31 December 2025 in the parent's single company accounts as detailed in note 9. In addition to the above there is additional goodwill generated on consolidation with total consolidated goodwill amounting to £573,581 (2024: £573,581) as at 31 December 2025. The carrying value of intangibles in accordance with IAS36 is required to be tested for annual impairment along with whether there is any indication of impairment of the other intangibles. The measurement of the recoverable amount requires the preparation of detailed cash flow forecasts that are subject to several highly sensitive assumptions surrounding the future trade of the Group. During the year, the directors have assessed the valuation of goodwill internally. **Carrying value of intangibles (cont)**	**Our audit procedures:** We held various discussions and meetings with the client to review the valuation model and the assumptions used therein. This was compared to valuations completed in prior years undertaken by suitably qualified independent advisors providing reassurance of the accuracy of opening balances for our audit. We evaluated critically the assumptions by reworking the calculations and challenged the management by: · Comparing the model to the actual performance for the year ended 31 December 2025 noting that income was still not being generated · Comparing the assumptions of the prior year to the actual performance of the year ended 31 December 2025 again noting that projects had been delayed. · Comparing the assumptions used in the prior year to the current year to identify any changes and obtaining explanations from management · Recalculating the WACC and comparing the rates used. · Comparison of the outcome to reports prepared by external advisors Valuation of Goodwill was deemed to be compliant with IAS 38, Intangible Assets. During 2024, Goodwill was impaired in the financial statements by £2,300,000 due to the non-viability of the project's recovery, in accordance with IAS 36 - *Impairment of Assets*. The Group entered into a purchase agreement securing full control of a Protos SPV with an option to lease the site at Protos. However, this lease option was terminated in April 2025, as the Group no longer had the ability to extend the lease. The only remaining option was to commit to a long-term lease, which the Group decided not to pursue.

Fixed assets under construction During the year, the balance of group fixed assets under construction was £2.20 million (2024: £2.04 million), with additions during the year amounting to £217k. This asset has now been bought into use and accordingly the asset has been transferred to Plant and Machinery and depreciation has commenced over a 20 year estimated useful economic life. The nature of these assets requires careful consideration in terms of their valuation and classification. Our audit focused on ensuring that the costs capitalised were appropriately incurred in line with the relevant accounting standards, and that the progress of construction was accurately reflected in the financial statements.	**Our audit procedures:** Our audit procedures in relation to fixed assets under construction included assessing the appropriateness of costs capitalized during the year and verifying that they were in accordance with the relevant accounting standards. We also focused on evaluating the progress of construction and ensuring that assets were properly classified as under construction rather than completed or operational. Our procedures included: · Reviewing supporting documentation for the additions to fixed assets, including invoices and contracts, to confirm that costs were directly attributable to the construction of assets. · Assessing the Group's process for tracking the progress of construction and ensuring that the costs capitalized were accurate and properly allocated. · Verifying the classification of assets under construction, ensuring that they were appropriately excluded from depreciation. · Reviewing the group's accounting policies to ensure compliance with IAS 16 *Property, Plant and Equipment* and other relevant standards. · Reviewing likely recoverability if the amounts were to be sold. Based on the procedures performed, we found that the amounts capitalized were appropriate and in line with the applicable accounting standards.

Share Based Payments During the year, the company issued 103,000,000 Share Options and 132,500,000 Warrants which has generated a charge to the profit and loss of £1,480,718 (2024: £465,342)	**Our audit procedures:** Our audit procedures in relation to Share Based Payments included the following: Our procedures included: · Reviewing supporting documentation for the issue of the Warrants and Options · Reviewing the company's calculations. · Challenging the assumptions used for key drivers of the Black Scholes Model utilised. · Reviewing the terms for vesting and exercise. Based on the procedures performed, we found that the amounts were appropriate and in line with the applicable accounting standards.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group materiality	Parent company materiality
Overall materiality	£97,000 (2024: £100,000)	£81,000 (2024: £100,000)
Basis for determining overall materiality	120% of single company materiality	5% of operating loss
Rationale for benchmark applied	Whilst the Statement of Financial Position has material elements included, we do not feel a materiality that is based on the Statement of Financial Position totals is appropriate as it is through that the shareholders will consider the operating loss of utmost importance to ascertain how long the company can continue to trade.	Whilst the Statement of Financial Position has material elements included, we do not feel a materiality that is based on the Statement of Financial Position totals is appropriate as it is though that the shareholders will consider the operating loss of utmost importance to ascertain how long the company can continue to trade.
Performance materiality	£72,750 (2024: £90,000)	£60,750 (2024: £75,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £4,850 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £4,050 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group consists of the parent company, two trading companies and 5 other entities which were dormant or non-trading. All entities are based in the UK

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit/Loss before tax
Full scope audit	1	0%	68%	97%
Specific audit procedures*	2	100%	32%	3%
Total	**3**	**100%**	**100%**	**100%**

* Specific audit procedures were performed in order to obtain sufficient and appropriate coverage over the group's loss before tax and borrowings.

A full scope audit was performed for the parent company, with specific audit procedures being performed for the subsidiary company. The subsidiary companies were exempt from audit in their own right under section 479A of the Companies Act 2006.

Conclusions relating to going concern

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

- obtaining an understanding of management's going concern evaluation and reviewing cashflow forecasts;
- evaluating management's ability to accurately forecast performance through comparison of historic performance against forecast;
- performing sensitivity analysis to understand the impact of reasonably possible outcomes, or changes to assumptions; and
- testing the integrity and mechanical accuracy of the forecast model.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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, 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 group and the parent company and their 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements 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 set out on page 38, 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 group's and the parent 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 group or the parent 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK-adopted IAS and Companies Act 2006 including IFRS, Companies Act 2006 and AIM Rules	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from external tax advisors specifically surrounding the application of the Research and Development Tax Credit scheme.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue	A sample of bank receipts have been reviewed and challenged with management to identify if the group has received any revenue in the year. In addition the underlying contracts have been reviewed regarding the ongoing projects of the group to ensure these are still pre revenue.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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.

Jamie Hall (Senior Statutory Auditor)
for and on behalf of
Barnes Roffe Audit Limited
Chartered Accountants
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent
DA2 6QA

Date:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 December 2025

	Note	31 December 2025 £	31 December 2024 £
Revenue	2	**1,232,766**	499,414
Cost of sales		**(711,482)**	(210,548)
Gross Profit		**521,284**	288,866
Engineering costs		**(623,913)**	(762,729)
Administrative expenses	4	**(3,113,303)**	(2,025,663)
Operating loss (pre-exceptional items)		**(3,215,932)**	(2,499,526)
Exceptional Items			
Goodwill Impairment	5	**-**	(2,300,000)
Operating Loss (post exceptional items)		**(3,215,932)**	(4,799,526)
Net finance income/(cost)	6	**(13,492)**	(11,252)
Loss before taxation		**(3,229,424)**	(4,810,778)
Income tax credit	7	**297,055**	105,753
Total comprehensive loss		**(2,932,369)**	(4,705,025)
Loss per share (pence)	8	**(0.07)**	(0.11)

All activities are in respect of continuing operations and there are no other items of comprehensive income.

The notes numbered 1 to 28 are an integral part of the financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	Note	2025 £	2024 £
ASSETS			
Non-current assets			
Intangible fixed assets	9	**919,869**	844,972
Tangible fixed assets	10	**2,328,786**	2,231,643
Total non-current assets		**3,248,655**	3,076,615
Current Assets			
Trade and other receivables	12	**617,866**	272,487
Corporation tax recoverable	13	**248,045**	274,277
Cash and cash equivalents	14	**703,691**	1,308,392
Total current assets		**1,569,602**	1,855,156
Total assets		**4,818,257**	4,931,771
LIABILITIES			
Current liabilities			
Creditors: amounts falling due within one year	15	**(399,938)**	(372,101)
Total current liabilities		**(399,938)**	(372,101)
Total assets less current liabilities		**4,418,319**	4,559,670
Creditors: amounts falling due after more than one year	16	**(97,434)**	(162,134)
Net assets		**4,320,885**	4,397,536
EQUITY			
Share capital	19	**25,472,059**	24,097,059
Share premium	20	**61,220,809**	61,220,809
Share based payment reserve	22	**1,946,060**	465,342
Accumulated deficit	21	**(84,318,043)**	(81,385,674)
Total surplus		**4,320,885**	4,397,536

The Company made a loss of £3.1 million in the year ended 31 December 2025 (2024: Loss £5.0 million) and in accordance with s408 of the Companies Act 2006 has not presented a company statement of comprehensive income. The financial statements of Powerhouse Energy Group Plc, Company number 03934451, were approved by the Board of Directors and authorised for issue on 26 June 2026 and signed on its behalf by:

Paul Emmitt
Director

The notes numbered 1 to 28 are an integral part of the financial information.

COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	Note	**2025** **£**	2024 £
ASSETS			
Non-current assets			
Intangible fixed assets	9	**346,289**	271,391
Tangible fixed assets	10	**1,961,225**	1,851,027
Investments in subsidiary undertakings	11	**1,109,987**	1,109,987
Total non-current assets		**3,417,501**	3,232,405
Current Assets			
Trade and other receivables	12	**147,779**	223,480
Corporation tax recoverable	13	**248,045**	274,280
Cash and cash equivalents	14	**401,010**	576,805
Total current assets		**796,834**	1,074,565
Total assets		**4,214,335**	4,306,970
LIABILITIES			
Current liabilities			
Creditors: amounts falling due within one year	15	**(1,092,249)**	(888,029)
Total current liabilities		**(1,092,249)**	(888,029)
Total assets less current liabilities		**3,122,086**	3,418,941
Creditors: amounts falling due after more than one year	16	**(97,434)**	(162,134)
Net assets		**3,024,652**	3,256,807
EQUITY			
Share capital	19	**25,472,059**	24,097,059
Share premium	20	**61,220,809**	61,220,809
Share based payment reserve	22	**1,946,060**	465,342
Accumulated deficit	21	**(85,614,276)**	(82,526,403)
Total surplus		**3,024,652**	3,256,807

The financial statements of Powerhouse Energy Group Plc, Company number 03934451, were approved by the Board of Directors and authorised for issue on 26 June 2026 and signed on its behalf by:

Paul Emmitt
Director

The notes numbered 1 to 28 are an integral part of the financial information.

CONSOLIDATED STATEMENT OF CASHFLOWS
For The Year Ended 31 December 2025

	Note	**2025** **£**	2024 £

		£	£
Cash flows from operating activities			
Operating Loss		**(3,215,932)**	(4,799,526)
Adjustments for:			
Share based payments		**1,480,718**	465,342
Amortisation		**32,545**	22,333
Depreciation		**125,798**	57,983
Goodwill impairment		**-**	2,300,000
Tax Paid		**-**	(85,949)
-Changes in working capital:			
(Increase)/Decrease in trade and other receivables		**(345,380)**	(141,710)
Increase in trade and other payables		**(680)**	132,608
Tax received		**323,287**	-
Net cash used in operations		**(1,599,642)**	(2,048,919)
Cash flows from investing activities			
Purchase of intangible fixed assets	9	**(107,442)**	(60,440)
Purchase of tangible fixed assets	10	**(222,941)**	(1,039,903)
Net cash flows from investing activities		**(330,383)**	(1,100,343)
Cash flows from financing activities			
Proceeds from issue of shares		**1,375,000**	156,203
Payments of principal under leases	18.3	**(36,184)**	(36,184)
Net finance costs	6	**(13,492)**	(11,252)
Net cash flows from financing activities		**1,325,324**	108,767
Net increase/(decrease) in cash and cash equivalents		**(604,701)**	(3,040,495)
Cash and cash equivalents at beginning of year		**1,308,392**	4,348,887
Cash and cash equivalents at end of year		**703,691**	1,308,392

The notes numbered 1 to 28 are an integral part of the financial information.

COMPANY STATEMENT OF CASHFLOWS
For The Year Ended 31 December 2025

	Note	**2025**	2024
		£	£
Cash flows from operating activities			
Operating Loss		**(3,370,689)**	(5,137,960)
Adjustments for:			
Share based payments		**1,480,718**	465,342
Amortisation		**32,544**	22,333
Depreciation		**107,008**	52,625
Goodwill & Exclusivity impairment		**-**	2,300,000
Decrease/(Increase) in trade and other receivables		**75,704**	35,313
Increase/(Decrease) in trade and other payables		**175,704**	12,895
Tax received		**323,287**	-
Net cash used in operations		**(1,175,724)**	(2,249,452)
Cash flows from investing activities			
Purchase of intangible fixed assets	9	**(107,442)**	(60,440)
Purchase of tangible fixed assets	10	**(217,206)**	(997,320)
Net cash flows from investing activities		**(324,648)**	(1,057,760)
Cash flows from financing activities			
Proceeds from issue of shares		**1,375,000**	156,203
Payments of principal under leases	18.3	**(36,184)**	(36,184)
Net finance costs	6	**(14,239)**	(11,252)
Net cash flows from financing activities		**1,324,577**	108,767
Net increase/(decrease) in cash and cash equivalents		**(175,795)**	(3,198,445)
Cash and cash equivalents at beginning of year		**576,805**	3,775,250
Cash and cash equivalents at end of year		**401,010**	576,805

The notes numbered 1 to 28 are an integral part of the financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 December 2025

	Ordinary share capital £	Deferred shares £	Share premium £	Share based payment reserve £	Accumulated deficit £	Total £
Balance at 1 January 2024	20,827,071	3,113,785	61,220,809	-	(76,680,649)	8,481,016
Transactions with equity parties:						
Share issues in year	156,203	-	-	-	-	156,203
Share based payments	-	-	-	465,342	-	465,342
Total comprehensive loss	-	-	-	-	(4,705,025)	(4,705,025)
Balance at 31 December 2024	20,983,274	3,113,785	61,220,809	465,342	(81,385,674)	4,397,536
Transactions with equity parties:						
- Share issues in year	1,375,000	-	-	-	-	1,375,000
Share based payments	-	-	-	1,480,718	-	1,480,718
Total comprehensive loss	-	-	-	-	(2,932,369)	(2,932,369)
Balance at 31 December 2025	22,358,274	3,113,785	61,220,809	1,946,060	(84,318,043)	4,320,885

The following describes the nature and purpose of each reserve within equity:

Deferred shares: Represents the combined total of all deferred shares (0.5p, 4p and 4.5p)

Share premium: Amount subscribed for share capital in excess of nominal value

Share based payment reserve: Represents share-based payment expense at fair value

Accumulated deficit: Accumulated deficit represents the cumulative losses of the Group and all other net gains and losses and transactions with shareholders not recognised elsewhere

The notes 1 to 28 are an integral part of the financial information.

COMPANY STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 December 2025

	Ordinary share capital £	Deferred shares £	Share premium £	Share based payment reserve £	Accumulated deficit £	Total £
Balance at 1 January 2024	20,827,071	3,113,785	61,220,809	-	(77,482,944)	7,678,721
Transactions with equity parties:						
- Share issues in year	156,203	-	-	-	-	156,203
Share based payments	-	-	-	465,342	-	465,342
Total comprehensive loss	-	-	-	-	(5,043,459)	(5,043,459)
Balance at 31 December 2024	20,983,274	3,113,785	61,220,809	465,342	(82,526,403)	3,256,807
Transactions with equity parties:						
- Share issues in year	1,375,000	-	-	-	-	1,375,000
Share based payments	-	-	-	1,480,718	-	1,480,718
Total comprehensive loss	-	-	-	-	(3,087,873)	(3,087,873)
Balance at 31 December 2025	22,358,274	3,113,785	61,220,809	1,946,060	(85,614,276)	3,024,652

The following describes the nature and purpose of each reserve within equity:

Deferred shares: Represents the combined total of all deferred shares (0.5p, 4p and 4.5p)

Share premium: Amount subscribed for share capital in excess of nominal value

Share based payment reserve: Represents share-based payment expense at fair value

Accumulated deficit: Accumulated deficit represents the cumulative losses of the company and all other net gains and losses and transactions with shareholders not recognised elsewhere

The notes 1 to 28 are an integral part of the financial information.

NOTES TO THE ACCOUNTS
For The Year Ended 31 December 2025

1. Accounting Policies

Powerhouse Energy Group Plc is a company incorporated in England and Wales. The Group is a public limited company quoted on the AIM market of the London Stock Exchange. The address of the registered office is Unit 3/3a Garth Drive, Brackla Industrial Estate, Bridgend, Wales, CF31 2AQ. The principal activity of the Group is to continue the development of its technology and to support its customers in order to achieve its full commercial roll-out. The principal activity of the group also includes the provision of Engineering services by a subsidiary company. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial information.

1.1. Basis of consolidation

The consolidated and parent company financial statements for the year ended 31 December 2025 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB), as adopted for use in the United Kingdom (UK) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS (except as otherwise stated). These accounting policies and methods of computation are consistent with the prior year, unless otherwise stated.

The consolidated group financial statements consist of the financial statements of the parent company Powerhouse Energy Group PLC together with all other entities controlled by the parent company (its subsidiaries) and the groups share of its interests in joint ventures and associates. Control is achieved where the Group is exposed to, or has the rights to, variable returns from its investments with the entity and has the ability to affect those returns through its power over the entity. The Group obtains and exercised control through voting rights.

All financial statements are made up to 31 December 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provided evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the Groups financial statements from the date the control commences until the date that control ceases. Acquisitions of subsidiaries are dealt with using the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the Consolidated Statement of Financial Position at their fair values, which are also used as the cost bases for subsequent measurement in accordance with the Group accounting policies.

Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition costs over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Entities in which the group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the Group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group statement of financial position at cost plus post-acquisition changes in the Groups share of the net assets of the entity, less any impairment in value. The carrying value of investments in joint ventures and associates include acquired goodwill.

If the Groups share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further loses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the groups interest in the entity.

The Group's UK subsidiaries are both trading and non-trading. There are long-term restrictions on the operations of the Group's subsidiaries in the US and Switzerland. With these restrictions in place, the Group is also unable to exert control over the subsidiaries. As such the Group has claimed exemptions applicable to it under Companies Act section 405 (2) and 405 (3b) and IFRS 10 to not include these subsidiaries located in the US and Switzerland in the Consolidated Financial statements for the year ended 31 December 2025. Investments in subsidiaries that are not consolidated are carried at cost less any provision for impairment.

Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in the Income statement. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying value of the investment.

Accounting policies of the equity accounted investees are changed where necessary to ensure consistency with the policies adopted by the Group. The carrying value of equity accounted investments is tested for impairment in accordance with the policy described in Note 1.20 (ii).

As of 31 December 2025, the Group has two subsidiaries included in the Groups consolidated accounts, Engsolve Limited, the balance of the interest in which was acquired on 20 June 2023 and Protos Plastics to Hydrogen No.1 Limited that was acquired on 30 April 2023.

Other investments, which are not publicly traded, are initially measured at cost and subsequently measured at cost less accumulated losses.

1.2. Judgements and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements.

Areas involving a higher degree of judgements or complexity or areas where assumptions or estimates are

Areas involving a higher degree of judgements or complexity, or areas where assumptions or estimates are significant to the financial statements such as the exercise to assess the fair value of goodwill, share based payments (share options and warrants) and going concern are disclosed within the relevant notes.

1.3. Going concern

The financial statements have been prepared on a Going Concern basis. The Directors' views are based upon working capital projections which take into account the intended use of the funds in hand over the next 12 months.

As at 31 December 2025 the Group is pursuing a business strategy of selling licences and receiving royalty fees for use of its technology. As at 31 December 2025, the Group had one project under development - Ballymena in Northern Ireland - with others still in prospect.

In assessment of the Group's Going Concern status, the business planning of the Group post the current reporting period, is based on the following:

- Engsolve gives the Group the ability to earn revenues from engineering services. Engsolve had an existing client base when acquired which is now being expanded post-year end to provide an increased ongoing revenue stream to the Group, extending its positive cash position.

- The development of a series of capital projects addressing contamination, pollution and climate change mitigation and deploying where possible, but not exclusively, the Group's proprietary technology. The Group will focus on a business strategy of selling licenses and receiving royalty fees for the use of its technology.

Adopting this approach:

- The Group expects to maintain an ongoing revenue stream that is increasing;
- Investment in the development of the capital projects will be via shareholder loans to the SPV, repayable at financial close; and
- In the event development of the project does not look viable (for example, failing to obtain the necessary permissions), expenditure will be curtailed and a replacement project identified.

The Board considers therefore that it can execute on the above strategy with its existing cash resources which are expected to be sufficient for at least 12 months. These financial statements have been prepared on a going concern basis.

1.4. Foreign currency translation

The financial information is presented in sterling which is the Group's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are revalued to the exchange rate at date of settlement or at reporting dates (as appropriate). Exchange gains and losses resulting from such revaluations are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within administrative expenses.

1.5. Revenue

(i) Engineering services

The Group has provided engineering services to various third-party customers. Revenue from providing services is recognised in the accounting period in which services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided to the extent to which the customer receives the benefits. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Where contracts include multiple performance obligations as specified by the work scope, the transaction price will be allocated to each performance obligation based on estimated expected cost-plus margin.

Estimates of revenues, costs or extent of progress toward completion of services are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If a contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice.

(ii) Exclusivity fees

Where the Group grants a developer exclusive rights to utilise its technology in a particular territory for an exclusivity fee, the fee is recognised in the income statement over the agreed exclusivity period.

1.6. Leases

For any new contracts entered into, the Group considers whether a contract is, or contains, a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

(i) the contract contains an identified asset which is either explicitly defined in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

(ii) the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, considering its rights within the defined scope of the contract;

(iii) the Group has the right to direct the use of the identified asset throughout the period of use.

Where the above evaluations are met, at lease commencement date, the Group recognises a right of use asset and a lease liability on the balance sheet. The right of use asset is measured at cost, which is made up of the measurement of the initial lease liability, any direct initial costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease

commencement date.

The Group depreciates right of use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The Group assesses the right of use asset for impairment when such indicators exist.

At the commencement date the Group measured the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. For the assessment of the lease entered into in 2020 the Group applied a rate of 7.5%.

Subsequent to initial measurement the liability will be reduced for payments and increased for interest. It is remeasured to reflect any reassessment or modification or if there are any changes to the repayment schedule.

1.7. Finance income and expenses

(i) Income
Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(ii) Expense
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

1.8. Income tax expense

The tax expense for the period comprises current and deferred tax.

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Temporary differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1.9. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Cost represents the cost of acquisition or construction, including the direct cost of financing the acquisition or construction until the asset comes into use.

Depreciation on property, plant and equipment is provided to allocate the cost less the residual value by equal instalments over their estimated useful economic lives of between 3 to 20 years, once the asset is complete.

The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful life or residual value are accounted for prospectively.

1.10. Assets under construction

Assets under construction are stated at cost. Cost represents the cost of acquisition or construction, including the direct cost of financing the acquisition or construction until the asset comes into use.

Depreciation is not charged until the asset is complete and bought into use at which point it is transferred into a distinct category of property plant and equipment.

1.11. Right of Use Assets

At inception, the Group assesses whether a contract is or contains a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and lease liability at the lease commencement date. Right of use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received and any initial direct costs incurred.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise right-of-use assets and lease liabilities for short term leases of machinery that have a lease term of 12 months or less, or for leases of low value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over a lease term.

1.12. Intangible assets

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer to note 1.20 for impairment testing procedures. Goodwill impairment losses are not reversible as explained in note 1.20 (iii).

Goodwill on acquisitions has been calculated by taking the cost less the fair value of the assets and liabilities at

acquisition. The Group will review the value of goodwill on their financial statements at least once a year and record any impairments. Where the goodwill generated results on a gain on bargain purchase this is credited to the Statement of Comprehensive Income in the year of recognition.

Exclusivity rights acquired in a business combination that qualify for separate recognition are recognised as intangible assets at their fair value and subsequently assessed for impairment loss.

Costs associated with patent applications are capitalised in the year of spend and amortised over their estimated useful lives of 20 years on a straight-line basis commencing from the date of patent application. Any cost associated with the upkeep of a patent is amortised over the remaining useful life of that patent.

An internally generated intangible asset arising from development is only recognised where all of the following have been demonstrated: (i) the technical feasibility of completing the asset; (ii) the intention to complete the asset and the ability to use or sell it; (iii) the availability of resources to complete the asset; and (iv) the ability to reliably measure the cost attributable to the asset during its development.

Research and development
In all other instances research and development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

1.13. Other non-current assets

Other non-current assets represent investments in subsidiaries. The investments are carried at cost less accumulated impairment. Where a step acquisition occurs and control of a subsidiary company is achieved in stages the initial investment in associate is treated as being disposed of and reacquired at the considered fair value with any gain or loss arising being allocated to the Statement of Comprehensive Income. This is then treated as the deemed cost. Subsequently the Investment is held at deemed cost less impairment.

Financial assets
The Group classifies financial assets as loans and receivables within current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as noncurrent assets. Assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

1.14. Contract costs

The Group recognises costs incurred in fulfilling contracts with customers that are directly associated with the contract as an asset if those costs are expected to be recoverable. Contract costs are amortised on a basis consistent with the transfer of goods and services to which the asset relates.

1.15. Trade and other receivables

Trade receivables are initially recognised at fair value. Subsequently they are carried at amortised cost less any provision for impairment.

1.16. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits and are recognised and subsequently carried at fair value. For the purpose of presentation in the statement of cashflows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1.17. Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.18. Financial assets and liabilities

i) Financial assets
Loans receivable, where forward receivables comprise solely of 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.

ii) Financial liabilities
Loans payable are financial obligations arising from funding received and used to support the operational costs of the Group. These are initially recognised at fair value. Loans are subsequently carried at amortised cost using the effective interest method.

1.19. Adoption of new and revised standards

i) New and amended standards adopted by the Group
For the purposes of the preparation of these consolidated financial statements, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 January 2024. There was no significant impact of new standards and interpretations adopted in the year.

ii) Standards issued but not yet effective
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been adopted early by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

1.20. Impairment

(i) Goodwill
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. This is detailed in note 1.12 above.

(ii) Other assets
At each balance sheet date, the carrying amounts of assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. A cash generating unit is the group of assets identified on acquisition that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The recoverable amount of assets or cash generating units is the greater of their fair

groups of assets. The recoverable amount of assets or cash generating units is the greater of their fair value less costs to sell 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(iii) Reversals of impairments
An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.21. Share based payments

Share based payments are made to employees and third parties and all are equity settled.

(i) Third party provision of services

a) Via issue of shares
Contractors receive remuneration in the form of share-based payments, whereby services are provided and settled by the issue of shares. The cost of equity settled transactions is determined at the fair value of the services provided, based upon invoiced amounts or formal agreements in place with suppliers.

b) Via issues of share warrants
The Group also issues share warrants to third parties in relation to services provided by suppliers. The cost of equity settled transactions is determined at the fair value of the services provided, based upon invoiced amounts or formal agreements in place with suppliers. Where no fair value of services can be directly obtained, the fair value at the grant date is determined using the Black Scholes valuation model. At each reporting date the Group revises its estimates of the number of options that are likely to be exercised with any adjustment recognised in the income statement.

(ii) Directors and employees

c) Via issues of share options
The Group has issued share options to Directors and employees through approved and unapproved option plans. The fair value of options issued is determined at the date of grant and is recognised as an expense in the Income Statement over the vesting period with a corresponding entry going to Share based Payment Reserve.. The fair value at the grant date is determined using the Black Scholes valuation model. At each reporting date the Group revises its estimates of the number of options that are likely to be exercised with any adjustment recognised in the income statement.

Where share-based payments give rise to the issue of new share capital, the proceeds received by the Group are credited to share capital and share premium when the share entitlements are exercised.

1.22. Employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are included within creditors in the balance sheet.

For defined contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group does not contribute to any defined benefit pension plans.

1.23. Segmental reporting

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- whose operating results are reviewed regularly by the Group's chief decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

The Group considers it has two business segments, being a UK based technology company intending to license its technology to projects in the UK and internationally and a UK based multi disciplined Engineering Consultancy with significant experience in undertaking engineering design and support for third party customers.

The Engineering segment, Engsolve Limited, generated all of the Group £1,232,766 Revenue in 2024 (2024: £499,414). Engsolve became part of the Group in June 2023. This revenue was generated through Engsolve providing Engineering Services to third party customers. The Group will be looking to continue providing third party Engineering Services through Engsolve Limited and to further develop this revenue stream, both through internal and external work.

The Technology/Licensing segment (The Company) did not generate any licence income in 2025. The Group is focusing on developing this license revenue stream in future years.

2. Revenue

	Group		Company	
	2025	2024	**2025**	2024
	£	£	**£**	£
Engineering and related services	**1,232,766**	499,414	**-**	-
Exclusivity fees	**-**	-	**-**	-
Other	**-**	-	**-**	-
	1,232,766	499,414	**-**	-

During the year, the Group billed for engineering work carried out on projects. All revenue generated has arisen in the UK.

3. Employee costs

	Group		Company	
	2025	2024	**2025**	2024
	£	£	**£**	£
Directors' fees	**350,673**	453,788	**350,673**	453,788
Wages and salaries	**501,257**	489,538	**93,540**	152,263
Social security costs	**147,650**	92,773	**77,087**	56,588
Pensions	**188,723**	127,989	**84,452**	30,263
	1,188,303	1,164,088	**605,752**	692,602

Highest Paid Director - refer to note 25

The number of average monthly employees (including Directors) are as follows:

	Group		Company	
	2025	2024	**2025**	2024
Management	**6**	7	**6**	6
Operations	**13**	4	**3**	1
	19	11	**9**	7

The figures in the table above includes the average number of employees throughout the year. The total number of employees as at 31 December 2025 (including Directors) was 17 (2024: 17) comprising 7 in management and 10 in operations (2024: 7 in management, 10 in operations). All Directors are classed as management.

4. Administrative expenses

Included in administrative expenses are:	**2025**	2024
	£	£
Research and development costs	**458,075**	673,200
Amortisation	**32,544**	22,333
Depreciation	**89,614**	21,799
Depreciation - right of use asset	**36,184**	36,184
Share based payments	**1,480,718**	465,342
Foreign exchange (gains)/losses	**-**	-
Auditor's remuneration for audit services:		
Fees payable to the group's auditor for the audit of the group's annual financial statements	**45,675**	43,500
Fees payable to the group's auditor and their associates for other services:		
Non-audit fees paid to auditors		
R & D Taxation advisory and compliance services	**-**	-

5. Goodwill & Exclusivity impairment

	2025	2024
	£	£
Goodwill Impairment	**-**	2,300,000
	-	2,300,000

In 2020, Goodwill of £57,152,699 was recognised on the acquisition and hive up of Waste2tricity Limited. An independent fair value assessment is commissioned by the Directors on the carrying value at each balance sheet date as explained in note 11. Impairments are made based upon the results of those assessments plus input from the Board. No impairment was made in relation to the goodwill carrying value at 31 December 2023. At the year-end 31 December 2024 the directors impaired the Goodwill to £nil.

6. Net finance income/(cost)

	Group		**Company**	
	2025	2024	**2025**	2024
	£	£	**£**	£
Loan interest receivable	**747**	-	**-**	-
Lease Interest	**(14,028)**	(10,805)	**(14,028)**	(10,805)
Other interest receivable	**-**	-	**-**	-
Bank and other interest payable	**(211)**	(447)	**(211)**	(447)
	(13,492)	(11,252)	**(14,239)**	(11,252)

7. Income tax and deferred tax

As the Group incurred a loss, no current tax is payable (2024: £nil). In addition, as there is no certainty about future

profits from which accumulated tax losses could be utilised, accordingly no deferred tax asset has been recognised. The Group submitted a claim for research and development tax credits (relating to financial year 2023) in 2024 amounting to £105,753. The Group has not submitted a claim for research and development tax credits for financial year 2025. This claim will be submitted during 2026. Accumulated tax losses in the Group amount to an estimated £29.2 million, and Group £29.2 million (2024: £27.2 million) and reflect tax losses submitted in tax returns and arising during the period less any relief taken for research and development credits. The tax credit rate is lower (2024: lower) than the standard rate of tax. Differences are explained below.

Group

Current tax

	2025	2024
	£	£
Loss before taxation	**3,229,424**	4,810,778
Tax credit at standard UK corporation tax rate of 25% (2024: 25%)	**860,256**	1,202,695
Effects of:		
Goodwill impairment not deductible for tax purposes	**-**	(575,000)
Expenses not deductible for tax purposes	**(249)**	(58)
Capital allowances in excess of depreciation	**29,902**	7,779
Non-allowable deduction on share option expense	**(370,180)**	(116,336)
Research and development tax credits claimed	**248,045**	105,753
Deferred tax asset not recognised	**(417,820)**	(519,080)
Income tax credit	**297,055**	105,753

Company

Current tax

	2025	2024
	£	£
Loss before taxation	**3,384,928**	5,149,212
Tax credit at standard UK corporation tax rate of 25% (2024: 25%)	**846,232**	1,287,303
Effects of:		
Goodwill impairment not deductible for tax purposes	**-**	(575,000)
Expenses not deductible for tax purposes	**-**	(58)
Additions	**-**	-
Non-allowable deduction on share option expense	**(370,180)**	(116,336)
Research and development tax credits claimed	**248,045**	105,753
Deferred tax asset not recognised	**(427,042)**	(595,909)
Income tax credit	**297,055**	105,753

8. Loss per share

	Group		**Company**	
	2025	2024	**2025**	2024
Total comprehensive loss (£)	**(2,932,369)**	(4,705,025)	**(3,087,873)**	(5,043,459)
Weighted average number of shares	**4,217,675,289**	4,194,201,141	**4,217,675,289**	4,194,201,141
Loss per share in pence	**(0.07)**	(0.11)	**(0.07)**	(0.12)
Diluted loss per share in pence	**(0.07)**	(0.11)	**(0.07)**	(0.12)

For the year ended 31 December 2025, 256,000,000 of the options in issue and 148,500,000 of warrants in issue were excluded from the diluted loss per share calculation due to being anti-dilutive.

There were 275,000,000 new ordinary shares issued in the year to 31 December 2025 with an exercise price of 0.5p.

For the year ended 31 December 2024, 153,000,000 of the options in issue and 16,000,000 of the warrants in issue were excluded from the diluted loss per share calculation due to being anti-dilutive.

9. Intangible fixed assets

Group	**Goodwill**	**Patent costs**	**Website**	**Total**
	£	**£**	**£**	**£**
Cost				
At 1 January 2024	57,726,280	251,129	16,634	57,944,043
Additions	-	55,440	5,000	60,440
Disposals	-	-	-	-

At 31 December 2024	57,726,280	306,569	21,634	58,054,483
Accumulated amortisation & impairment				
At 1 January 2024	54,852,699	30,612	3,867	54,887,178
Amortisation charge for the year	-	16,372	5,961	22,333
Impairment	2,300,000	-	-	2,300,000
At 31 December 2024	57,152,699	46,984	9,828	57,209,511
Carrying amount				
At 31 December 2024	573,581	259,585	11,806	844,972
Cost				
At 1 January 2025	57,726,280	306,569	21,634	58,054,483
Additions	-	92,443	14,999	107,442
Disposals	-	-	-	-
At 31 December 2025	57,726,280	399,012	36,633	58,161,925
Accumulated amortisation & impairment				
At 1 January 2025	57,152,699	46,984	9,828	57,209,511
Amortisation charge for the year	-	21,861	10,684	32,545
Impairment loss	-	-	-	-
At 31 December 2025	57,152,699	68,845	20,512	57,242,056
Carrying amount				
At 31 December 2025	573,581	330,167	16,121	919,869

Company	**Goodwill**	**Patent costs**	**Website**	**Total**
	£	**£**	**£**	**£**
Cost				
At 1 January 2024	57,152,699	251,129	16,634	57,420,462
Additions	-	55,400	5,000	60,440
Disposals	-	-	-	-
At 31 December 2024	57,152,699	306,569	21,634	57,480,902
Accumulated amortisation & impairment				
At 1 January 2024	54,852,699	30,612	3,867	54,887,178
Amortisation charge for the year	-	16,372	5,961	22,333
Impairment	2,300,000	-	-	2,300,000
At 31 December 2024	57,152,699	46,984	9,828	57,209,511
Carrying amount				
At 31 December 2024	-	259,585	11,806	271,391
Cost				
At 1 January 2025	57,152,699	306,569	21,634	57,480,902
Additions	-	92,443	14,999	107,442
Disposals	-	-	-	-
At 31 December 2025	57,152,699	399,012	36,633	57,588,344
Accumulated amortisation & impairment				
At 1 January 2025	57,152,699	46,984	9,828	57,209,511
Amortisation charge for the year	-	21,860	10,684	32,544
Impairment loss	-	-	-	-
At 31 December 2024	57,152,699	68,844	20,512	57,242,055
Carrying amount				
At 31 December 2025	-	330,168	16,121	346,289

10. Tangible fixed assets

Group

	Right of use asset Land and buildings	**Property, plant and equipment**	**Fixtures and Fittings**	**Assets under construction**	**Total**
	£	**£**	**£**	**£**	**£**
Cost					
At 1 January 2024	180,919	69,721	28,441	958,340	1,237,421
Additions	-	32,832	13,842	1,083,317	1,129,991
Additions on acquisition	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2024	180,919	102,553	42,283	2,041,657	2,367,412
Accumulated depreciation					
At 1 January 2024	30,153	38,648	8,985	-	

					77,786
Charge for the year	36,184	15,448	6,351	-	57,983
Charges on acquisition	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2024	66,337	54,096	15,336	-	135,769
Carrying amount					
At 31 December 2024	114,582	48,457	26,946	2,041,657	2,231,643
Cost					
At 1 January 2025	180,919	102,553	42,283	2,041,657	2,367,412
Additions	-	5,915	278	216,748	222,941
Additions on acquisition	-	-	-	-	-
Transfer from assets under construction	-	2,258,405	-	(2,258,405)	-
At 31 December 2025	180,919	2,366,873	42,561	-	2,590,353
Accumulated depreciation					
At 1 January 2025	66,337	54,096	15,336	-	135,769
Charge for the year	36,184	82,622	6,992	-	125,798
Charges on acquisition	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2025	102,521	136,718	22,328	-	261,567
Carrying amount					
At 31 December 2025	78,398	2,230,155	20,333	-	2,328,786

Company

	Right of use asset Land and buildings	Property, plant and equipment	Fixtures and fittings	Assets under construction	Total
	£	£	£	£	£
Cost					
At 1 January 2024	180,919	52,762	12,602	*628,340	874,623
Additions	-	3,752	339	*1,083,317	1,087,408
Disposals	-	-	-	-	-
At 31 December 2024	180,919	56,514	12,941	1,711,657	1,962,031
Accumulated depreciation					
At 1 January 2024	30,153	25,184	3,042	-	58,379
Charge for the year	36,184	12,519	3,922	-	52,625
Disposals	-	-	-		-
At 31 December 2024	66,337	37,703	6,964	-	111,004
Carrying amount					
At 31 December 2024	114,582	18,811	5,977	1,711,657	1,851,027
Cost					
At 1 January 2025	180,919	56,514	12,941	1,711,657	1,962,031
Additions	-	458	-	216,748	217,206
Transfers to PP&E		1,928,405		(1,928,405)	-
Disposals	-	-	-	-	-
At 31 December 2025	180,919	1,985,377	12,941	-	2,179,237
Accumulated depreciation					
At 1 January 2025	66,337	37,703	6,964	-	111,004
Charge for the year	36,184	67,043	3,781	-	107,008
Disposals	-	-	-	-	-
At 31 December 2025	102,521	104,746	10,745	-	218,012
Carrying amount					
At 31 December 2025	78,398	1,880,631	2,196	-	1,961,225

*Included with fixed assets is the amount of £1,928,405 relating to assets under construction. As per the accounting policy, no depreciation was charged until the asset came into use in June 2025.

11. Investments

	2025 £ Subsidiaries	2024 £ Subsidiaries
Cost or carrying value at 1 January	**50,057,141**	50,057,141
Additions	**-**	-
Goodwill recognised	**-**	-
Dividends	**-**	-
Share of associate's net result	**-**	-
Transfers	**-**	-
Disposals	**-**	-
Cost or carrying value 31 December	**50,057,141**	50,057,141
Provision at 1 January	**(48,947,154)**	(48,947,154)
Additions	**-**	-
Disposals	**-**	-
Accumulated impairment	**(48,947,154)**	(48,947,154)
Carrying value	**1,109,987**	1,109,987

(i) Subsidiaries

Investments relate to costs of investments in subsidiary undertakings, namely in Powerhouse Energy, Inc, Pyromex AG and Powerhouse Energy UK Limited. Powerhouse Energy, Inc is incorporated in California in the United States of America and the Group holds 100 per cent of the common stock and voting rights of the subsidiary. Pyromex AG is based in Zug, Switzerland and the Group holds 100 per cent of the shares and voting rights of the subsidiary. Powerhouse Energy UK Limited is a wholly owned UK based dormant company. Powerhouse Energy International Limited is a wholly owned UK based dormant company.

The subsidiaries included in the consolidated accounts are Engsolve Ltd and Protos Plastics to Hydrogen No.1 Limited.

The registered address of Powerhouse Energy Inc is 145 N Sierra Madre Blvd, Pasadena, CA 91107, USA.
The registered address of Pyromex AG is Chollerstrasse 3, CH-6300, Zug, Switzerland.

The registered address of Powerhouse Energy UK Limited, Powerhouse Energy International Limited, Engsolve Limited and Protos to Plastics Hydrogen No. 1 Limited is Unit 3/3A Garth Road, Brackla Industrial Estate, Bridgend CF31 2AQ.

Engsolve Ltd and Protos Plastics to Hydrogen No.1 Limited are exempt from the requirements of the Companies Act relating to the audit of individual accounts by virtue of Section 479A and the parent has guaranteed all their liabilities at the reporting date.

12. Trade and other receivables

	Group		Company	
	2025 £	2024 £	**2025 £**	2024 £
Trade receivables	**423,404**	14,572	**-**	-
Other receivables	**60,630**	168,335	**57,378**	147,420
Prepayments and accrued income	**133,832**	89,580	**90,401**	76,060
	617,866	272,487	**147,779**	223,480

13. Corporation tax

	Group		Company	
	2025 £	2024 £	**2025 £**	2024 £
Corporation tax recoverable	**248,045**	274,277	**248,045**	274,280
	248,045	274,277	**248,045**	274,280

14. Cash and cash equivalents

	Group		Company	
	2025 £	2024 £	**2025 £**	2024 £
Cash balances	**703,691**	1,308,392	**401,010**	576,805
	703,691	1,308,392	**401,010**	576,805

15. Trade and other payables: amounts falling due within one year

	Group		Company	
	2025	2024	**2025**	2024
	£	£	**£**	£
Trade payables	**141,337**	207,370	**137,314**	170,103
Lease liability	**52,096**	44,035	**52,096**	44,035
Other creditors and accruals	**200,695**	111,692	**878,878**	649,051
Other taxes	**-**	-	**18,151**	15,836
Pensions payable	**5,810**	9,004	**5,810**	9,004
	399,938	372,101	**1,092,249**	888,029

16. Trade and other payables: amounts falling due more than one year

	Group		Company	
	2025	2024	**2025**	2024
	£	£	**£**	£
Lease liability	**97,434**	162,134	**97,434**	162,134
	97,434	162,134	**97,434**	162,134

17. Financial assets and financial liabilities

Financial assets	Group		Company	
	2025	2024	**2025**	2024
	£	£	**£**	£
Financial assets at amortised cost:				
- Trade receivables	**423,404**	14,572	**-**	-
- Other Debtors	**194,462**	168,335	**147,779**	342,714
- Cash and cash equivalents	**703,691**	1,308,392	**401,010**	576,805
	1,321,557	1,491,299	**548,789**	919,519

Financial liabilities	Group		Company	
	2025	2024	**2025**	2024
	£	£	**£**	£
Liabilities at amortised cost:				
- Trade payables	**141,337**	207,370	**137,314**	170,103
- Other creditors	**461,912**	111,692	**878,878**	941,813
-Taxes - VAT & payroll	**-**	-	**18,151**	15,836
- Pensions payable	**5,108**	9,004	**5,810**	9,004
-Lease liabilities	**149,530**	206,169	**149,530**	206,169
	757,887	534,235	**1,189,683**	1,342,925

18. Leases

The Group has leased offices at the location of its research facility for a duration less than one year. The lease is reflected in the accounts as an expense on the income statement.

18.1 Amounts recognised in the balance sheet

Right of use assets relate to leased properties that do not meet the definition of investment property and are presented within tangible fixed assets per Note 10.

	2025	2024
	£	£
Right of use assets		
Balance at 1 January	**114,582**	150,766
Additions to right of use assets	**-**	-
Depreciation charge for the year	**(42,706)**	(36,184)
Balance at 31 December	**71,876**	114,582

	2025	2024
Future minimum rentals payable are as follows:	**£**	£
Amounts payable:		
Within one year	**63,524**	85,424
Later than one year and not later than five years	**105,499**	163,910
Total gross payments	**169,023**	249,334
Impact of finance expenses	**(19,493)**	(43,165)
Carrying value of liability	**149,530**	206,169

18.2 Amounts recognised in income statement

	2025	2024
	£	£

Depreciation charge	**36,184**	36,184
Interest on lease liabilities	**14,238**	11,252
Expenses relating to short term leases	**-**	-
	50,422	47,436

18.3 Amounts recognised in statement of cashflows

	2025	2024
	£	£
Interest on lease liabilities	**14,238**	11,252
Repayment of lease principal	**36,184**	36,184
Total cash outflow for leases	**50,422**	47,436

19. Share capital

Group and Company

(i) Number of shares

	0.5 p Ordinary shares	**0.5 p Deferred shares**	**4.5 p Deferred shares**	**4.0 p Deferred shares**
Shares at 1 January 2024	**4,165,414,135**	**388,496,747**	**17,373,523**	**9,737,353**
Issue of shares	31,240,606	-	-	-
Shares at 31 December 2024	**4,196,654,741**	**388,496,747**	**17,373,523**	**9,737,353**
Issue of shares	275,000,000	-	-	-
Shares at 31 December 2025	**4,471,654,741**	**388,496,747**	**17,373,523**	**9,737,353**

(ii) Value in £

	0.5 p Ordinary shares	**0.5 p Deferred shares**	**4.5 p Deferred shares**	**4.0 p Deferred shares**	**Share Capital**
	£	**£**	**£**	**£**	**£**
At 1 January 2024	**20,827,071**	**1,942,483**	**781,808**	**389,494**	**23,940,856**
Issue of shares	156,203	-	-	-	156,203
At 31 December 2024	**20,983,274**	**1,942,483**	**781,808**	**389,494**	**24,097,059**
Issue of shares	1,375,000	-	-	-	1,375,000
At 31 December 2025	**22,358,274**	**1,942,483**	**781,808**	**389,494**	**25,472,059**

All ordinary shares of the Company rank pari-passu in all respects.

The deferred shares do not carry any voting rights or any entitlement to attend general meetings of the Company. They carry only a right to participate in any return of capital once an amount of £100 has been paid in respect of each ordinary share.

On 6 June 2024, the Company issued 31,240,606 new ordinary shares of 0.5p each ("Ordinary shares") in the Company at a price of 0.5p each following the exercise of warrants which generated gross proceeds of £156,203 for the Company.

On 28 March 2025 the Company issued 275,000,000 new ordinary shares of 0.5p each ("Ordinary shares") in the Company at a price of 0.5p each following a retail offering which generated gross proceeds of £1,375,000 for the Company.

20. Other reserves

Group

	Share premium account
	£
As at 1 January 2024	61,220,809
Share based payments	-
At 31 December 2024	61,220,809
Share based payments	
Share issue costs	-
At 31 December 2025	61,220,809

Company

	Share premium account £
As at 1 January 2024	61,220,809
Share based payment	-
At 31 December 2024	61,220,809
Share based payments	
Share based payment	-
At 31 December 2025	61,220,809

21. Accumulated deficit

Group

	2025 £	2024 £
As at 1 January	**(81,385,674)**	(76,680,649)
Loss for the year	**(2,932,369)**	(4,705,025)
Share based payments	**-**	-
At 31 December	**(84,318,043)**	(81,385,674)

Company

	2025 £	2024 £
As at 1 January	**(82,526,403)**	(77,482,944)
Loss for the year	**(3,087,873)**	(5,043,459)
Share based payments	**-**	-
At 31 December	**(85,614,276)**	(82,526,403)

22. Share based payments

The expense recognised for share-based payments during the year is shown in the following table:

	2025 £	2024 £
Share based payment charge recognised in Income Statement		
Expense arising from equity-settled share-based payment transactions:		
- Share options for Directors and employees	**1,213,334**	465,342
- Shares issued for third party services	**-**	-
Total share-based payment charge in Income Statement	**1,213,334**	465,342
Other share-based payment movement		
Exercise of share options by Directors and employees	**-**	-
Exercise of warrants for third party services	**267,385**	156,203
Shares option lapsed in Jan 22	**-**	
-Total shares issued for warrants exercised	**267,385**	156,203

There were no liabilities recognised in relation to share based payment transactions.

22.1 Share options for Directors and employees

The movement of share options in the year are as follows:

	2025 Number	**2025 WAEP (pence)**	2024 Number	2024 WAEP (pence)
Outstanding at 1 January	**153,000,000**	**1.11**	15,581,355	1.13
Granted during the year	**103,000,000**	**0.55**	153,000,000	1.1
Forfeited during the year	**-**		(15,581,355)	
Exercised during the year	**-**	**-**	-	-
Outstanding at 31 December	**256,000,000**	**0.88**	153,000,000	1.13
Exercisable at 31 December	**-**	**0.88**	-	1.13

103,000,000 share options were granted during the year (2024: 153,000,000). The range of exercise prices for options outstanding at the year-end was 0.55p to 1.1p (2024: 0.6p to 6.3p). The number of options outstanding at 31 December 2025 and the movements in the year are as follows:

Date of grant	**Granted**	**Share price on grant**	**Forfeited**	**At 31 Dec 2025**	**Exercise price**	**Exercise period**	**Vesting period**
25 Oct 2024	153,000,000	1.075p	-	153,000,000	1.1p	24 Oct 2024 until 23 Oct 2029	24 Oct 2024 to 1 May 2025
25 Sep 2025	103,000,000	0.057	-	103,000,000	0.55p	24 Sep 2025 until 14 March 2030	25 Sep 2025

2025			14 March 2030
Total	256,000,000	-	256,000,000

The estimated fair value of the options issued was calculated by applying the Black-Scholes option pricing model. The assumptions used in the calculation were as follows:

Options in issue 31	**25 September**	**25 October2024**
December 2024	**2025**	153,000,000
Exercise price	103,000,000	1.1p
Expected volatility	0.55p	117.7%
Contractual life	56.4%	5 years
Risk free rate	5 years	3.91%
Estimated fair value	3.96%	0.91p
of each option	0.27p	

* the calculation applies a 25% discount for small companies
** expected volatility based on historic volatility at the point of grant.

22.2 Warrants for third party services

The Group has issued warrants in respect of services provided by consultants as part of their service arrangements. It has also issued warrants to participating shareholders in respect of certain fund raises. No share-based payment charge is recognised for warrants issued to participating shareholders as they are outside of the scope of IFRS 2.

Details of warrants which have been issued are as follows:

On 15 September 2020, the Group granted 5,395,260 warrants to the Group's broker as part of its service arrangement in relation to the fund raise arising on that date. The options may be exercised between the grant date and the third anniversary of the grant date and will lapse of not exercised during that period. At the date of grant the share price was 3.3p and the warrants have an exercise price of 2.5p per share.

On 21 January 2021, the Group granted 9,090,910 warrants to the Group's broker as part of its service arrangement in relation to the fund raise arising on that date. The options may be exercised between the grant date and the third anniversary of the grant date and will lapse of not exercised during that period. At the date of grant the share price was 8.6p and the warrants have an exercise price of 5.5p per share.

On 1 September 2023, the Group granted 16,000,000 warrants to the Group's broker as part of its service arrangement in relation to the fund raise arising on that date. The options may be exercised between the grant date and the third anniversary of the grant date and will lapse of not exercised during that period. At the date of grant the share price was 0.55p and the warrants have an exercise price of 0.5p per share.

On 31 January 2024, the Group granted 31,240,606 warrants to the Group's Nomad as part of its service arrangement in relation to acting as Nomad to the Group. The warrants may be exercised between the grant date and the third anniversary of the grant date and will lapse if not exercised during that period. At the date of grant the share price was 0.31p and the warrants have an exercise price of 0.5p per share. These warrants were exercised in the period.

On 14 March 2025, the Group granted 132,500,000 warrants to third parties as part of the raise undertaken in March 2025. The warrants vested immediately and may be exercised between the grant date and the third anniversary of the grant date and will lapse if not exercised during that period. At the date of grant the share price was 0.31p and 7,500,000 of the warrants have an exercise price of 0.5p per share and 125,000,000 have an exercise price of 1p per share.

Warrants in respect of services provided:

The movement of warrants issued for share-based payments in the year are as follows:

	2025 Number	**2025 WAEP (pence)**	2024 Number	2024 WAEP (pence)
Outstanding at 1 January	**16,000,000**	**2.3**	25,090,910	2.3
Granted during the year	**132,500,000**	**0.97**	31,240,606	-
Forfeited during the year	**-**	**-**	(9,090,910)	2.3
Exercised during the year	**-**	**-**	(31,240,606)	-
Outstanding at 31 December	**148,500,000**	**1.11**	16,000,000	2.3
Exercisable at 31 December	**148,500,000**	**1.11**	16,000,000	2.3

The weighted average remaining contractual life for the share warrants outstanding as at 31 December 2025 was 2.04 years (2024: 0.7 years)

The range of exercise prices for warrants outstanding at the year-end was 0.5p - 1p (2023: 0.5p to 5.5p).

The number of warrants, which have been included for share-based payment purposes, outstanding at 31 December 2025 and the movements in the year are as follows:

Date of grant	**Granted**	**Share price on grant**	**Exercised**	**Forfeited**	**At 31 Dec 2025**	**Exercise Price**	**Exercise period**
01 Sep 2023	16,000,000	0.6p	-	-	16,000,000	0.5p	02 Sep 203 until 1 Sep 2026
14 March 2025	7,500,000	0.06p	-	-	7,500,000	0.5p	15 Mar 2025 until 14 Mar 2028

14 March 2025	125,000,000	0.06p	-	-	125,000,000	1.0p	15 Mar until 14 Mar 2028
Total	**148,500,000**	**-**	**-**	**-**	**148,500,000**		

The Group is required to assess the fair value of instruments issued in respect of services received, with such value charged to the Income Statement. The estimated fair value of the warrants issued during the year was calculated by applying the Black-Scholes option pricing model. The assumptions used in the calculation were as follows:

Warrants issued for services	**14 March 2025**	**14 March 2025**	**01 Sep 2023**
In issue 31 December 2025	125,000,000	7,500,000	16,000,000
Exercise price	1.0p	0.5p	0.5p
Expected volatility*	62.11%	62.11%	275.58%
Contractual life	3 years	3 years	3 years
Risk free rate	4.19%	4.19%	4.82%
Estimated fair value of each option	0.20p	0.22p	0.49p

* expected volatility based on historic volatility at the point of grant.

All warrants

The number of all warrants outstanding at 31 December 2024 and the movements in the year are as follows:

Date of grant	**Granted**	**Share price on grant**	**As at 1 Jan 2023**	**Exercised**	**Forfeited**	**At 31 Dec 2024**	**Exercise price**	**Exercise period**
21 Jan 2021	9,090,910	8.6p	9,090,910	-	(9,090,910)	-	5.5p	22 Jan 2021 until 21 Jan 2024
01 Sep 2023	16,000,000	0.6p	16,000,000	-	-	16,000,000	0.5p	01 Sep 2023 until 01 Sep 2026
Total	**25,090,910**		**25,090,910**	**-**	**(9,090,910)**	**16,000,000**		

23. Material risks

The Group is subject to various risks relating to political, economic, legal, social, industry, business and financial conditions. Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system. The Group's approach to these risks is detailed in the Strategic Report.

24. Pension Costs

	***Group £**	Company £
Pension Creditor Year end 2024	**9,004**	9,004
Pension liability in the year	**28,202**	28,202
Pension paid out in the year	**31,396**	31,396
Pension Creditor Year end 2025	**5,810**	5,810

*Please note the Group pension scheme figures includes Engsolve pension scheme

25. Directors' remuneration and share interests

The Directors who held office at 31 December 2025 had the following interests at 24 June 2026, including any interests of a connected party in the ordinary shares of the Group:

	Number of ordinary shares of 0.1p each	**Percentage of voting rights**
Paul Emmitt	6,471,971	0.13%
Ben Brier	13,440,527	0.26%

The remuneration of the Directors of the Group paid or payable for the year or since date of appointment, if later, to 31 December 2025 is:

	2025 £ Salary/Fee	**2025 £ Pension**	**2025 £ Share based payments**	**2025 £ Other**	**2025 £ Total**	2024 £ Total
Anthony Clive Gale	**30,000**	**-**	**94,948**	**-**	**124,948**	66,497
Paul Emmitt	**129,423**	**60,000**	**397,447**	**-**	**586,870**	327,073
Hugh McAlister	**30,000**	**-**	**94,948**	**-**	**124,948**	66,497
David John Hitchcock	**60,000**	**-**	**118,685**	**-**	**178,685**	105,622
Karol Kacprzak	**-**	**-**	**94,948**	**30,000**	**124,948**	66,497
Keith Riley	**-**	**-**	**-**	**-**	**-**	31,288
Ben Brier	**101,250**	**20,250**	**317,409**	**-**	**438,909**	243,158

Total	**350,673**	**80,250**	**1,118,385**	**30,000**	**1,579,308**	906,632

The Board did not receive pay increases in 2025 (Paul Emmitt's remuneration was split between Powerhouse and Engsolve in 2024). Total remuneration includes share-based payments arising from the issue of options amounting to 103,000,000 in 2025 (2024: 153,000,000). There have been no awards of shares to Directors under long term incentive plans during the year.

The Directors' social security costs for the year amounted to £47,457 (2024: £40,469) resulting in a total remuneration expense of £422,245 (2023: £518,257).

Prior to their resignations from the Board, Tim Yeo, James John Pryn Greenstreet, Allan Vlah, Antony Royston Gardner-Hillman and Keith Riley had service contracts that could be terminated by the provision of three months' notice.

There are share options for directors who served during the year. See note 23.1.

Highest Paid Director
Paul Emmitt was the highest paid Director in the year.

26. Related parties

There are no related parties to report on.

27. Events after the reporting period

On 26 January 2026 the Group announced it had had signed an agreement to lease for a 1.98 acre serviced site at Silverwood Business Park, Ballymena, Northern Ireland. The length of the agreement to lease is 25 years with five yearly rent reviews including a tenant break clause on the fifth anniversary of the term of commencement.

On 23 April 2026 the Group announced that it was posting a circular to shareholders detailing the boards proposal to raise gross proceeds of £400,000 through the issues of 200 million placing shares at a placing price of 0.2 pence per share. The placing was conditional on shareholder approval of a capital reorganisation, pursuant to which the issued share capital of the Company would be subdivided and reclassified such that each Existing Ordinary Share would result in one new ordinary share of 0.01 pence each in the capital of the Company and one new deferred share of 0.49 pence each in the capital of the Company. There was also proposed a Retail offering to launch immediately after the General Meeting to raise up to £0.25m through the issue of up to 125 million Retail Offer shares at 0.2 pence per share.

On 27 April 2026 the Group announced the Retail offer announced on 23 April 2026 was oversubscribed and raised the company's target of £250,000 before expenses.

On 14 May 2026 the Group announced that all of the Resolutions at the General Meeting earlier on that day were duly passed by way of a poll. Resolutions 1 and 2 were passed as ordinary resolutions and Resolution 3 was passed as a special resolution. As a result of the Resolutions being passed, the capital reorganisation took effect. The Placing of 200,000,000 Placing Shares to raise gross proceeds of £400,000 for the Company (before fees and expenses), was completed. In addition, the Retail Offer of 125,000,000 Retail Offer Shares to raise gross proceeds of £250,000 for the Company (before fees and expenses), also completed.

On 29 May 2026 the Group announced its intention to conduct a placing to raise gross proceeds of at least £0.5 million through the issue of new ordinary shares of 0.01p each in the capital of the Company at a price of 0.2p per share. The Group also announced a retail offering to its current shareholders of up to 75,000,000 new Ordinary Shares on the same terms as the Placing to raise up to a further £150,000. The retail offer was oversubscribed and raised the company's target of £150,000 before expenses. As a result, the Group raised a total of £650,000 including the placing and Retail Offer.

On 29 May 2026 the Group announced the remuneration committee had granted 153,000,000 share options to the board and company secretary to further encourage incentivisation. The new share options will have an exercise price of 0.23p and be structured to vest six months from date of grant and will lapse on the fifth anniversary of the date of grant.

The Group will announce that its Chief Executive Officer, Paul Emmitt, is not standing for re-election at the 2026 Annual General Meeting. An update on Mr Emmitt's successor will be announced at the appropriate time.

28. Ultimate controlling party

There is no single controlling party of the Group.

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