RNS Number : 8294W
Clean Power Hydrogen
20 April 2023

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Clean Power Hydrogen plc
("CPH2", the "Company" or the "Group")

Maiden Financial Results for the Financial Year ended 31 December 2022

CPH2 (AIM: CPH2), the UK-based green hydrogen technology and manufacturing company that has developed the IP-protected Membrane-Free Electrolyser ("**MFE**"), is pleased to announce its inaugural set of results and report for the year ended 31 December 2022 (the "**Period**").

Highlights

- Successful admission to AIM, a market operated by the London Stock Exchange, in February 2022, raising gross proceeds of £30.5m
  - Awarded the London Stock Exchange Green Economy Mark at admission.
- Three major license agreements for manufacture signed and strong order book momentum:
  - Kenera Energy Solutions Limited ("**Kenera**"), a business unit of our strategic shareholder, KCA Deutag Group.
  - Fabrum Solutions Ltd (ex AFCyro), a New Zealand based advanced technology developer and manufacturer.
  - GHFG Ltd, an Irish company focused on developing combined renewable energy and hydrogen production projects.
  - As at 31 December 2022 CPH2 had five MFE220 electrolyser orders, with combined sales value of £6.5m, of which £1.8m has been received as deposits and has been treated as deferred income.
  - CPH2 continues to receive growing interest in the MFE electrolyser and anticipates further demand for the technology following delivery of the first MFE220 units in 2023.
- £1.5m investment into ATOME Energy plc ("**ATOME**") as part of ATOME's placing in December 2022.
  - The investment follows ATOME's purchase order for the sale of a 1-megawatt ("**MW**") MFE220 electrolyser in March 2022.
- Strengthened the senior leadership team whilst significantly investing in the workforce, increasing the head count from under 30 at IPO to 55 as at 31 December 2022.
- Year end net asset position of £25.2m, of which £15.3m was in cash or current assets investments (bank deposits).

Outlook

- Focused on the successful commercial delivery of the MFE220 1MW electrolyser with key milestone contingent upon the completion and acceptance testing of the MFE110.
- Design of the MFE110 completed in Q1 2023 with CPH2 currently testing the subsystems and expects to have full MFE110 units on test in H1 of 2023.
- Delivery of MFE110 to customer sites and subsequent testing arranged with customers considering their timing requirements scheduled to be completed in H2 of 2023.
- Design modifications on the MFE220 has continued and results from the MFE110 testing expected to be accommodated into the final designs of the MFE220 for production.
- Beyond completion and testing of the MFE220, CPH2 will continue to invest in R&D, looking to enhance the operational efficiencies of the MFE220 before finalising the design of the 2MW MFE440 in 2024.
- Company will continue to support licensing partners in preparation for production at facilities across the world including, Germany, New Zealand and Ireland.
- Following successful commercialisation, CPH2 expects to see strong and increasing customer demand for the MFE technology which the Company can accommodate through in-house manufacturing and through licencing partners.

Jon Duffy, CPH2 CEO commented:

"2022 was a pivotal year for the Company, as it listed on AIM, significantly invested in the workforce and saw license agreement and strong purchase order momentum globally. Customers have seen the value of our low cost, highly robust membrane free electrolyser technology owned, manufactured and licensed by CPH2.

Whilst we have encountered some issues with the technology, we are still well positioned to meet our strategic objectives and are focused on achieving commercial success. We have identified the root of the potential issue and following a redesign of the MFE220, we expect to begin delivering units in 2023. Over the past 12 months, we have learnt a great deal about our technology despite our challenges and the MFE220 remains at the core of our business."

Analyst and investor presentation

Chief Executive Officer, Jon Duffy and Chief Financial Officer, James Hobson will host an analyst and investor presentation via the London Stock Exchange ("**LSEG**") SparkLive platform on Tuesday 25th April 2023 at 09:00 BST.

Sign up for the presentation is available via the LSEG website:

https://www.lsegissuerservices.com/spark/CLEANPOWERHYDROGEN/events/772df411-43bf-4b5b-8549-d576a259820b

Annual Report

The Annual Report will be available on the Company' website today (https://www.cph2.com) and hard copies are expected to be posted to Shareholders on 15 May 2023

For more information, please contact:

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To find out more, please visit: https://www.cph2.com

Overview of CPH2

CPH2 is the holding company of Clean Power Hydrogen Group Limited ("**Clean Power**") which has almost a decade of dedicated research and product development experience. This experience has resulted in the creation of simple, safe and sustainable technology which is designed to deliver a modular solution to the hydrogen production market in a cost-effective, scalable, reliable and long-lasting manner. The Group's strategic objective is to deliver the lowest LCOH in the market in relation to the production of green hydrogen. The Group's MFE technology is already commercially available and demonstrating cost efficiencies and technological advantages. CPH2 is listed on the AIM market and trades under the ticker LON:CPH2.

CHAIR'S STATEMENT

I am delighted to present the inaugural Annual Report of Clean Power Hydrogen plc ("CPH2" or the "Company").

2022 was a transformational year for CPH2. The IPO in February 2022, raising £30m and introducing new institutional and strategic investors, was a significant achievement, especially in the context of the market conditions that existed at the time. The funding received has enabled us to accelerate our activities in pursuit of our strategic objectives.

We are proud to be at the core of the green hydrogen industry and its contribution towards the net zero transition and, despite 2022 being a very difficult year for local communities in the UK and global economies, the market opportunity for hydrogen has never been stronger and more real. We see this emphasised by the Inflation Reduction Act in the United States, the EU's Green Industrial Plan and more recently in the UK Government's "Powering Up Britain" Strategy.

The Company's aim is to become a globally recognised and highly profitable designer, manufacturer and licensor of its Membrane-Free Electrolyser ("MFE"), with at least a 4GW production capacity by 2030.

We made strong commercial progress over the last twelve months, signing three partnerships to licence manufacture in Germany, New Zealand, Ireland and Oman, and to sell across multiple countries in Europe, Middle East and Australasia. This lays the groundwork for the rapid, controlled ramping up of our differentiated technology. Our commercial strategy, underpinned by our strong IP, is a key differentiator from our competitors.

A decade of dedicated research and product development has resulted in the creation of a unique technology which is designed to deliver a modular solution to the hydrogen production market in a cost-effective, scalable, resilient, reliable and sustainable way.

During 2022, the CPH2 team made good progress in our transition from an R&D technology company towards a commercial manufacturing operation. The delays we incurred and reported have been frustrating and we are working hard to recover lost ground. In the end the delays have, however, also proved to be a positive learning event for the Company; as a result, we have significantly improved our internal controls, project and risk management, and engineering discipline, whilst making strong and necessary improvements in the calibre of our senior management and respective teams. I am confident that we are on a robust and disciplined engineering pathway to address the issues, which we expect to resolve in the near term.

The Company has a strong balance sheet with over £15m in cash and term deposits as at 31 December 2022, as well as further realisable assets of £3m. Net assets as at 31 December 2022 was £25.2m. Prudent and careful cash management will continue to ensure funds are well spent. The Company incurred a loss of £3.5m after tax for the 2022 financial year and invested £4.3m into development activities.

Board

Board

This being the inaugural year of the parent company, I take this opportunity to recognise and welcome fellow Directors. I am pleased to report we have a strong, active and engaged Board with a passion for CPH2 to reach its full potential. Clive Brook, who was instrumental to the successful IPO in February 2022, retired from CPH2 during the year and I would personally like to thank him for all his hard work and dedication. We appointed James Hobson as Chief Financial Officer in December 2022 and would like to welcome him to his post.

I am pleased to report that the governance of the Group has strengthened markedly during the year, with a focused effort leading up to the IPO and beyond. Governance will continue to improve in line with CPH2's growth and taking into account its size and resources.

CPH2 is at the heart of the green hydrogen industry and is playing a significant part in the drive towards clean energy and net zero targets, making ESG a key factor in our investor proposition. We look forward to publishing our ESG objectives and strategy in the coming twelve months.

Outlook

We are well positioned to leverage our technology and commercial strategy differentiators to meet our strategic objectives. Our focus is on the completion and acceptance testing of the de-rated MFE110, which we expect to be a catalyst for the finalisation of the MFE220 1MW electrolyser**.** This in turn will be the platform for which the Company expects to achieve commercial success, whilst continually developing and enhancing our technology. Once our robust technology pathway is concluded, which should be in the near term, we have great confidence in the demand for our product, given the sales channels we have developed over the last 12 months.

Finally, I would like to thank our shareholders, the Board, CPH2's valued employees and our partners for their continued support and passion.

Christopher Train
Chair

CHIEF EXECUTIVE'S REVIEW

The past year has seen significant commercial and operational progress for CPH2. It began with final preparations for our IPO and the admission of the Company's shares to trading on the AIM market at a time when the whole technology sector was in neutral to negative territory and the Russian army was camped on the border of Ukraine. I would like to thank all those involved in the IPO process which saw CPH2's shares successfully admitted to trading on the London Stock Exchange; it is testament to the skill and dedication of everyone involved that CPH2 was one of the few successful IPOs on the AIM market in 2022.

IPO

The Company raised gross proceeds of over £30m in the IPO in February 2022. The IPO process started nine months prior to this and I would like to thank the advisers to the Company, Browne Jacobson, Mazars and Cenkos Securities, and particularly Clive Brook, our former CFO, who was instrumental in its success.

People

Our people are an incredibly important part of our organisation. Prior to the IPO, we were successful at recruiting Chris Train as the Company's Chair, Natalie Fortescue as Senior Non-Executive Director, and persuading Rick Smith to step up from the Group Operating Board to the CPH2 Board. Clive Brook and I filled the executive roles.

Significant steps have been made to build out the team in a measured way as we look to continue to improve the leadership, capacity and capabilities of CPH2.

James Hobson joined the Company in December 2022 as Group CFO and as a CPH2 Director, Arash Selahi joined as Head of Operations and has subsequently been appointed Chief Operating Officer for the Group. Senior leadership in Engineering and R&D has been significantly upgraded with Hugh Reynolds, of Fabrum New Zealand, stepping in as interim Chief Technology Officer whilst waiting for the recruitment and arrival of Paul Cassidy who joined as permanent Chief Technology Officer in March 2023.

Clive Brook retired as a CPH2 Director during the year but remains as a non-executive director of CPH2's trading subsidiary. Nigel Williamson retired as an employee but also remains as a non-executive director of CPH's trading subsidiary whilst acting as a consultant.

The real backbone of the business, though, are the unsung heroes whose daily commitment and dedication does not get the deserved attention. We have grown the overall workforce from 31 at the start of the year to 55 staff at the end, which includes 20 in Engineering and R&D, and 22 in Operations, Procurement and Commissioning. The remaining staff are in business development, administration, support, and senior management.

I want to show my appreciation and thanks to all our staff who are helping to build CPH2 into an international business.

Market

The macro picture for green hydrogen continues to show huge potential. The twin crises of global warming and energy security are supportive for our market. The drive to net zero and the realisation that energy security is no longer a given make headlines daily. Global initiatives to address these issues are being prioritised by both governments and corporations alike.

CPH2 is uniquely placed to help meet the subsequent demand for a reliable, cheap and sustainable fuel. The Company remains fully committed to being able to make a tangible difference and to leave a legacy that is measured in societal and environmental benefit.

Our strategic aim is to have 4GW of annual production by the end of 2030. Our patented technology means we can license our production to third parties. Of the 4GW, we expect 1GW will be manufactured by CPH2 and 3GW will be manufactured under licence.

Technology

As was reported during the year we have encountered scale up issues which have delayed the roll out of the technology. In late 2022 the Company completed a thorough analysis of the MFE220 design, from technological, operational and control perspectives, and successfully identified that a potential issue existed in the cryostat (the component enabling separation of hydrogen and oxygen using cryogenics). We made the decision to cease production until we had resolved the situation. This work has now, largely been completed including a redesign for new units which avoids the issue.

To ensure a robust development path in Q4 2022 we elected, with our customers' support, to repurpose three electrolysers to build de-rated 0.5MW units ("MFE110") for development purposes and undertake a thorough testing regime both at CPH2 and then subsequently at customer sites. The design of the MFE110 was completed in Q1 2023 and we are currently testing the subsystems. We expect to have the full MFE110 units on test in the first half of

2023 and we are currently testing the subsystems. We expect to have the full MFE110 units on test in the first half of 2023. Delivery of the MFE110 to customer sites and subsequent testing have been arranged with customers considering their timing requirements and are all scheduled to be completed in the second half of 2023.

Whilst this work is being undertaken, design modifications on the MFE220 has continued and the results from the MFE110 testing are expected to be accommodated into the final designs of the MFE220 for production. Most of the components with long lead times have already been procured for first MFE220's, allowing for quicker manufacturing build for the first MFE220's upon final design. As first announced in November 2022, we continue to expect the first MFE220's units to be manufactured, tested, and sent to customers for delivery against sales orders by the end of 2023. Following this the MFE110's will either be returned to CPH2 and repurposed or potentially sold to customers in situ.

The delays, and the impact on our commercial progress, have unquestionably been disappointing to all stakeholders concerned. However, our engineering discipline and focus has significantly improved as have our internal controls, project and risk management processes. As discussed above, a robust technology pathway has been implemented that encompasses both an element of retrofitting existing orders and improving the design for future orders. We are a lot stronger for what has been a difficult, but in the end positive, learning experience and from which we believe we will benefit from for years to come.

The MFE220 remains the core of our technology. The advantages of using membrane free electrolysis has been proven in our test unit that was previously deployed to Northern Ireland. We continue to invest in R&D as we look to improve overall efficiencies in every aspect of the system from stack performance right through to cryogenic separation, as well as reducing build costs.

Licencing and Manufacturing

It is our stated aim to get to 3GW of annual production through licensing and 1GW of production at CPH2 facilities by 2030 in accordance with our commercial strategy. Our unique and patented technology allows us to expand production quickly, utilising partners, with limited capital outlay through such deals.

During the last twelve months we signed the following licence and manufacturing agreements:

- *KCA Deutag* - Two-year licensing deal for the manufacture of MFE units in their Bad Bentheim facility in Germany. They will produce for orders from CPH2 as well as their own customers. Following the initial two-year period, they will also be able to manufacture in Oman, and sell exclusively to certain countries in the Middle East up to 2GW over a 10-year period. They will also manufacture and sell, on a non-exclusive basis, to their customers in Germany, Scotland, Denmark, and Azerbaijan up to 150MW per annum.
- *Fabrum* - 10-year licensing deal for the manufacture of MFE units in their Christchurch facility in New Zealand. This deal also encompasses a non-exclusive sales agreement for New Zealand and Australia, with no upper limit to manufacturing volumes.
- *GHFG* - 20-year licensing deal for the manufacture of MFE units in an Ireland facility for up to 2GW for their own use.

We will also continue to manufacture our own units and are targeting 1GW of annual production from CPH2 facilities:

- *Doncaster* - We will continue to build MFE units at our own facility in Doncaster. However, it is envisaged that Doncaster will, eventually, become the R&D centre as well as the manufacturing site for our heat exchangers and stacks.
- *Northern Ireland* - It is still our intention, subject to the relevant agreements being in place, to open a CPH2 run manufacturing site in Northern Ireland, where a number of potential sites have been assessed.

The combination of licensing deals and manufacturing agreements means we are well placed to meet future demand in a rapid, controlled, financially lean and de-risked manner. We have begun to see the positive output of our strategic decisions, with Fabrum receiving their first direct order under the manufacturing deal in March 2023 from Obayashi Corporation.

Customers

The Company continues to receive strong interest in our MFE from new customers. Despite the loss of the Octopus contract that was due to be deployed in Q4 of 2022, we continue to receive support from the rest of our existing customers who have held firm with their commitments. We have communicated fully with them; they understand the issues and they are working with us to deliver their units on the revised schedules.

Currently we are preparing to deliver units to Northern Ireland Water, Fabrum in New Zealand, ATOME in Paraguay, and GHFG in Ireland. Fabrum placed a second order for a 1MW MFE220 for deployment in New Zealand to a customer developing a green hydrogen refuelling network. Following its IPO, ATOME placed an order for a 1MW MFE220 for their Paraguay mobility project. Paraguay has abundant renewable electricity from hydroelectric power. Their long-term plan is to develop green ammonia to turn into green nitrogen fertiliser to enable the country to become self-sufficient in this agricultural commodity.

Our pipeline remains robust and we continue to receive growing interest in our electrolysers thanks in part to the sales channels we have developed over the last 12 months. The strong interest received gives us great confidence that we will receive numerous new orders from new and existing customers, once our technology pathway is concluded and have working units in the field in the second half of 2023.

Outlook

As discussed above, our priority for 2023 is to rectify the scale up issues which in turn delayed the roll out of our technology and have working units in the field. The MFE110 design has been completed in Q1 2023 and subsystems are currently being tested. We expect that building and then testing the MFE110 in the first half of 2023 will be the precursor to final design of the MFE220. The completion and delivery of first customer orders should prove to be a catalyst for increased demand from existing and new customers, making the next 12 months a pivotal and exciting period for the Company.

With the groundwork set for manufacturing in Germany, New Zealand and Ireland, we will be supporting our licensing partners in preparing for their own production to begin first units in New Zealand and Germany by the end of 2023. Plans for increased manufacturing capacity within CPH2, potentially in Northern Ireland, will also be progressed.

We will continue to invest in R&D and upon the completion and testing the MFE110 followed quickly by the MFE220, work will turn to improving the operational efficiencies of the MFE220 and finalising the design of CPH2's 2MW MFE440 in 2024, which is expected to provide a step change in efficiency. Internally, we are looking to broaden the supply chain and develop our own systems, controls and capabilities.

I would like to take this opportunity to thank shareholders for their patient support and the fantastic team we have at CPH2 for their dedication, hard work, perseverance and passion.

Jon Duffy
Chief Executive Officer

FINANCIAL REVIEW

In February 2022, the Group successfully raised over £30m in an IPO and CPH2's shares were admitted to trading on the AIM market in the midst of very challenging market conditions. This provided CPH2 with the funds for accelerating its commercial, development and operational activities as well as beginning the relationships with its strategic partner KCA Deutag, new institutional investors and other new shareholders. Expenses incurred during the IPO were £2.7m, of which £0.6m was expensed and £2.1m allocated against share premium account (2021: £0.1m IPO costs which were expensed).

CPH2 has attracted new commercial opportunities, formalising manufacturing licences with three parties covering countries in Europe, the Middle East as well as Australia and New Zealand. In 2022, two new electrolyser orders were received while one customer withdrew its order.

As at 31 December 2022 customers have ordered five MFE220 electrolysers with combined sales value of £6.5m, of which £1.8m has been received as deposits and has been treated as deferred income. Revenue in respect to the orders will be recognised upon successful completion of site acceptance testing.

Operating loss before tax was £3.8m for the 2022 financial year (2021: £3.4m) as the Company's activities increased and workforce expanded. Included in administrative expenses is £0.6m of expensed IPO costs (2021: £0.1m) and share based payment credit of £1.4m (2021: expense of £1.4m) details of which are set out in note 22 to the financial statements.

Referring to the tactical changes as set out in the Chief Executive's Review on page •, three electrolysers were repurposed to build de-rated MFE110 units for development purposes and as such has been capitalised to development costs. Capitalised development costs for the year ended 31 December 2022 was £4.3m (£2021: £0.4m). Minimal spend was incurred in plant and equipment £0.3m (2021: £0.3m excluding right of use assets relating to property lease £1.1m).

During 2022 the sole key performance indicator was the completion of the Company's MFE220 electrolyser. In 2023 the Board will formulate and approve a suite of financial and non-financial key performance indicators for CPH2's expected full transition to commercial manufacturing operations in the next twelve months.

Cash

The operating cash spend was £7.2m for the year (2021: £2.1m) largely driven by spend on electrolyser production and inventory held. Investment in development work and securing patents was £4.3m (2021: £0.4m). In December 2022, the Company acquired shares for £1.5m in ATOME Energy Plc, an AIM listed business focused on the commercial production of ammonia, which at 17 April 2023 was valued at £1.4m. The Company's net cash proceeds from the IPO was £27.4m, while receiving £0.4m for the exercise of options and proceeds during the year.

Outlook

We are pleased to advise that the Company is in a strong financial position with cash resources of £15.3m (comprising term deposits, and cash and cash equivalents) at 31 December 2022, which excludes a large VAT debtor of £1.5m which was received in March 2023.

We are focused on ensuring that cash spend is focused on the route to commercialisation, and tight expenditure controls remain in place while the Company is pre-revenue.

James Hobson
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	2022	2021
	£'000	£'000
Revenue	**-**	28
Cost of sales	**-**	(25)
Gross profit	**-**	3
Other operating income	**-**	42
Administrative expenses excluding exceptional items	**(4,765)**	(2,145)
Exceptional net credit/(costs)	**986**	(1,335)
Total administrative expenses	**(3,779)**	(3,480)
Operating loss	**(3,779)**	(3,435)
Finance income	**216**	7
Finance expense	**(55)**	(37)
Loss before taxation	**(3,618)**	(3,465)
Taxation	**174**	148
Loss for the financial year	**(3,444)**	(3,317)
Other comprehensive (expense)/income		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	**(19)**	20
Fair value decrease in respect of investments	**(3)**	-
Total comprehensive expense for the year	**(3,466)**	(3,297)

Basic and diluted earnings per share (pence)	**(1.35)**	(1.8)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Note	**31 December 2022**	31 December 2021
		£'000	£'000
Assets			
Non-current assets			
Intangible assets		**5,476**	1,176
Property, plant and equipment		**1,387**	1,327
Fair value through OCI investments		**1,497**	-
Trade and other receivables		**120**	120
		8,480	2,623
Current assets			
Inventories		**2,363**	2,082
Trade and other receivables		**3,239**	847
Current asset investments		**13,500**	-
Cash and cash equivalents		**1,790**	480
		20,892	3,409
Total assets		**29,372**	6,032
Liabilities			
Current liabilities			
Trade and other payables		**(844)**	(917)
Deferred income		**(1,858)**	(2,237)
Lease liabilities		**(121)**	(131)
		(2,823)	(3,285)
Non-current liabilities			
Accruals		**-**	(1,965)
Deferred income		**(641)**	(278)
Lease liabilities		**(737)**	(856)
		(1,378)	(3,099)
Total liabilities		**(4,201)**	(6,384)
Net assets/(liabilities)		**25,171**	(352)
Equity			
Called up share capital		**2,654**	9
Share premium account		**27,638**	5,545
Merger reserve		**3,702**	-
Currency translation reserve		**(15)**	4
Accumulated loss		**(8,808)**	(5,910)
Total equity		**25,171**	(352)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Called up share capital £'000	Share premium account £'000	Merger reserve £'000	Foreign currency reserve £'000	Accumulated loss £'000	Total equity £'000

	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2021	9	4,995	-	(16)	(2,793)	2,195
Loss for the financial year	-	-	-	-	(3,317)	(3,317)
Other comprehensive expense						
Foreign currency differences	-	-	-	20	-	20
Total comprehensive expense for the year	-	-	-	20	(3,317)	(3,297)
Share based payments	-	-		-	200	200
Issue of share capital	-	550	-	-	-	550
Total contributions by owners	-	550	-	-	200	750
Balance as at 31 December 2021	**9**	**5,545**	**-**	**4**	**(5,910)**	**(352)**
Loss for the financial year	-	-	-		(3,444)	(3,444)
Other comprehensive expense	-	-	-	(19)	(3)	(22)
Total comprehensive expense for the year	-	-	-	(19)	(3,447)	(3,466)
Share based payments	-	-	-	-	549	549
Capital reorganisation	1,843	(5,545)	3,702	-	-	-
Issue of share capital net of costs	802	27,638	-	-	-	28,440
Total contributions by owners	2,645	22,093	3,702	-	549	28,989
Balance as at 31 December 2022	**2,654**	**27,638**	**3,702**	**(15)**	**(8,808)**	**25,171**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2022

	2022	2021
	£'000	£'000
Cash flow from operating activities		
Loss for the financial year	**(3,444)**	(3,317)
Adjustment for:		
Depreciation and amortisation	**249**	165
Impairment	**-**	28
Loss on disposal	**5**	17
Share based payments	**(1,416)**	1,427
Foreign exchange	**(25)**	-
Net finance (income) / costs	**(161)**	30
Taxation credit	**(174)**	(148)
Changes in working capital:		
Increase in inventories	**(281)**	(2,074)
Increase in trade and other receivables	**(2,361)**	(837)
Increase in trade and other payables	**293**	2,602
Cash used in operations	**(7,315)**	(2,107)
Income tax received	**143**	5
Net cash used in operating activities	**(7,172)**	(2,102)
Cash flows from investing activities		
Current asset investments made	**(13,500)**	-
Purchase of property, plant and equipment	**(292)**	(319)
Government capital grants received	**-**	141
Purchase of intangible assets	**(4,316)**	(418)
Purchase of investments	**(1,500)**	-
Net cash used in investing activities	**(19,608)**	(596)

Cash flows from financing activities

	2022	2021
Issue of share capital (net of costs)	**28,440**	-
Interest received	**216**	7
Related party loan repaid	**(382)**	-
Cash proceeds from financial asset	**-**	400
Interest paid	**(55)**	(37)
Payment of lease liabilities	**(129)**	(129)
Net cash generated from financing activities	**28,090**	241
Net increase/(decrease) in cash and cash equivalents	**1,310**	(2,457)
Cash and cash equivalents at the beginning of the year	**480**	2,937
Cash and cash equivalents at the end of the year	**1,790**	480

NOTES

1. Summary of significant accounting policies and general information

Clean Power Hydrogen plc is a public company incorporated in the United Kingdom and listed on the Alternative Investment Market ('AIM'). The registered address of the company is Unit D Parkside Business Park, Spinners Road, Doncaster, England, DN2 4BL.

The summary accounts set out above do not constitute statutory accounts as defined by Section 434 of the UK Companies Act 2006. The summarised consolidated statement of financial position at 31 December 2022, the summarised consolidated income statement and other comprehensive income, the summarised consolidated statement of changes in equity and the summarised consolidated cash flow statement for the year then ended have been extracted from the Group's 2022 statutory financial statements upon which the auditor's opinion is unqualified and did not contain a statement under either sections 498(2) or 498(3) of the Companies Act 2006.

The summary accounts are based on the Group financial statements have been prepared in accordance with UK adopted international accounting standards ("IFRS") and in accordance with the requirements of the Companies Act 2006.

Going concern

The Company listed on AIM on 16 February 2022 and raised net proceeds of £27.4m of new equity in order to fund investment in the manufacturing operations, working capital and continuing development work. The Group's forecasts and projections to 31 December 2024 based on the current trends in development and trading and after taking account of the funds currently held, show that the company and the Group will be able to operate within the level of cash reserves.

The Directors therefore have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for a period of 12 months from the date of approval of these financial statements and consider the going concern basis to be appropriate.