



19 April 2024

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

**Financial Results for the Financial Year ended 31 December 2023**

Clean Power Hydrogen plc (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 results and report for the year ended 31 December 2023 (the "Period").

**Highlights**

- Solid progress towards the commercial roll out of CPH2's MFE technology on back of a revamped engineering team, providing new insights and reassessment:
  - Successfully ran the entire MFE110 system proving the differentiated technology works at scale.
  - Successful functional testing of the control programme for the MFE110, enabling automatic operation and shutdown.
  - Improvements and modifications to key components including stacks, cryogenic heat exchanger and other measures enhancing safety;
  - Rigorous testing of the MFE110 has identified upgrades, informing valuable enhancements for the MFE220 design.
- Year-end net asset position of £21m, of which £8.5m was in cash or current asset investments (term deposits).
- £2.8m investment in research & design in the twelve months to December 2023.
- Entered ten-year licensing agreement with Fabrum Solutions Ltd, a New Zealand based advanced technology developer and manufacturer, with non-exclusive rights to manufacture and sell membrane-free electrolyzers in New Zealand and Australia.
- In advanced discussions with several potential partners for both new licences and orders.
- Awarded three ISO certifications confirming CPH2's commitment to the highest standards of health and safety, sustainability and quality management measures within our organisation:
  - ISO 45001 for Occupational Health and Safety
  - ISO 14001 for Environmental Management Systems
  - ISO 9001 for Quality Management Systems

**Outlook**

- Factory Acceptance Testing for the MFE110, the Company's first scaled membrane free electrolyser, underway with a completion date expected in the next three months.
- Completion and delivery of the MFE220, CPH2's 1MW system for its longstanding customer Northern Ireland Water, expected within the next twelve months.

**Jon Duffy, CPH2 CEO commented:**

*"2023 has been a year of further progress for CPH2, both operationally and technically. Our focus has centered on developing our unique technology for commercialisation, ensuring safety and scalability through rigorous testing of the MFE110. The successful running of the entire MFE110 system, producing separated hydrogen and oxygen gases, stands as a key milestone for CPH2, proving our differentiated technology works at scale.*

*I would like to thank our shareholders who have been patient and supportive as we approach the final stages of testing. I firmly believe that our methodical and focused approach to ensuring the technology is both safe and scalable means that we are well positioned to take meaningful strides once commercialisation is achieved. Collaborating closely with our license partners and customers, this year marks another encouraging step toward our ambitious goal of achieving 4GW of annual production by the end of 2030.*

*I extend heartfelt thanks to our team for their hard work, dedication and enthusiasm over the past year and look forward to a positive year ahead."*

**Annual Report**

The Annual Report will be available on the Company's website today (<https://www.cph2.com>) and hard copies are expected to be posted to Shareholders on 10 May 2024.

**For more information, please contact:**

Clean Power Hydrogen plc

via Camarco

Jon Duffy, Chief Executive Officer  
James Hobson, Chief Financial Officer

#### **Cavendish Capital Markets Limited - NOMAD & Broker**

Neil McDonald	+44 (0)131 220 9771
Peter Lynch	+44 (0)131 220 9772
Adam Rae	+44 (0)131 220 9778

<b>Camarco PR</b>	+ 44(0) 20 3757 4980
-------------------	----------------------

Billy Clegg  
Owen Roberts  
Lily Pettifar

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. CPH2 is listed on the AIM market and trades under the ticker LON:CPH2.

---

#### **CHAIRMAN'S STATEMENT**

I am delighted to present the Annual Report of Clean Power Hydrogen plc ("CPH2" or the "Company") for the year ended 31 December 2023.

The past 12 months have formed a year that encapsulated significant progress and challenges for CPH2. Our technology, which remains at the heart of what we do, was a key focus as we continued to progress the commercial roll out of our ground-breaking Membrane-Free Electrolyser ("MFE"). This focused approach to getting our technology right has put us in a strong position as we enter 2024 and look to target the growing hydrogen market with our unique product.

As we completed CPH2's first full year as a listed entity, what drives us remains the belief that green hydrogen is a significant solution to reducing carbon intensity across a multitude of industries including the transport sector. It is fair to say that the global focus on this has not abated during the year and importantly from a UK Government perspective, there is strong support for our operations. Indeed, this support was felt recently as we had the pleasure of hosting political leaders including Minister for Energy Efficiency and Green Finance, Lord Callanan, and the Rt Hon Edward Miliband, Labour MP for Doncaster North and Shadow Secretary of State for Energy Security and Net Zero.

The green hydrogen market, a truly emerging economy in itself, has battled its own headwinds in the past year. While the IEA pointed to the potential annual low-emission hydrogen production of 38 million tonnes in 2030 being 50% above its 2022 estimate, only 4% of this potential production has taken final investment decision ("FID"). Practical challenges with green hydrogen projects have been widely reported due to technology not being fully robust prior to site deployment, electrolyser reliability and performance issues, as well as commissioning challenges. It is times like these that Government support is crucial in getting projects moving and it has been encouraging to see the US Hydrogen Production Tax Credit, the EU Important Projects of Common European Interest and the UK Low Carbon Hydrogen Business Model address this to some extent.

The strategic position of CPH2 and its technology in the hugely exciting hydrogen market is also a reason to be positive. Our patented and containerised technology offers a mobile and licensable solution that can fit within a huge range of industry solutions. As we sit at the edge of commercialisation, we remain very optimistic of our future and ability to grow into this nascent market.

#### **Board and Senior Management**

In completing our first full year as a listed Company, I take this opportunity to recognise and thank my fellow Directors for their work over the year. We retain a strong, active and engaged Board, collectively sharing a passion for CPH2 to reach its full potential within the hydrogen economy. With this, our focus on Environmental, Social and Governance ("ESG") has been of particular importance and we continue to work closely with local communities, educational establishments and charities.

Our Senior Management Team has been strengthened during the period, notably in early 2023 we appointed Chief Technology Officer ("CTO"), Paul Cassidy, whose extensive chemical engineering and licensing knowledge has been a significant catalyst in the successful development of CPH2's Membrane Free Electrolyser during the year. We continue to take the governance of our Company extremely seriously and strive to improve with every challenge and opportunity that arises.

#### **Outlook**

While the past year has been one of good progress, we have also experienced challenges around commercialising our technology. As many who have followed the sector will understand, the complexities of commercialising unique and innovative design are vast but it is encouraging to see that significant progress has been made. The revamped engineering team has injected experience and professionalism into the Company, transforming the quality of engineering output. The levels at which the team have tirelessly worked at overcoming challenges, successfully progressing CPH2's MFE electrolyser in the year have been truly impressive.

As we look to the future, I know that CPH2 sits in an extremely strong position, poised to realise the significant value within the Company. As we continue on our path to commercialisation and beyond, I would like to thank everyone for their efforts in the past year and to our shareholders who have supported us throughout the period.

**Christopher Train**

## CHIEF EXECUTIVE'S REVIEW

The past year has seen significant progress both operationally and technically for CPH2. Our key focus has been on developing our technology for commercialisation in a safe and scalable manner.

### Technology

The catalyst for strong progress and advances on the technology during the year has undoubtedly been the revamped engineering team. During the year the engineering function has been rebuilt into a stronger, more experienced and professional team. This approach has led to a substantial improvement and a methodical approach to identifying solutions to the challenges faced. This has proved to be transformational for our progress on the technology path, and I am continually encouraged and more confident in our path forwards as a result.

Throughout the period, there has been extensive testing of the electrolyser units. In November 2023, we successfully ran our development unit, the MFE110, producing separated hydrogen and oxygen gases at its expected capacity, proving the IP-protected technology works at scale. The MFE110 contains 125kW stacks, the same sized stacks which will be used for the MFE220, our commercial 1MW containerised system. As we reported, however, we ceased the full Factory Acceptance Testing ("FAT") when it became apparent that we needed to upgrade the control mechanism and the venting procedures.

Since then, we have been working in conjunction with various third-party experts (including Lagan MEICA Limited and Cepha Controls Limited) and registered bodies to ensure that we not only have a successful FAT on the MFE110 but that we also build in all necessary controls and designs into our commercial flagship product, the MFE220.

While we had originally hoped for a successful FAT at the start of Q2 2024, we now expect this to be completed within the next three months. I am both cognisant and sympathetic to our stakeholders who have been awaiting the FAT, however I firmly believe that our methodical and focused approach to getting our technology right means that we are extremely well positioned to push forward in a meaningful way once commercialisation is achieved.

In the latter stages of 2023, we began work on getting our two proprietary technology components, the stacks and the cryogenic heat exchanger, CE marked. We anticipate these being certified by the end of Q2 2024. We continue to ensure that our technology is protected by both patents and Intellectual Property ("IP"), , applying for new patents in multiple jurisdictions.

We are committed to developing a safe, sustainable product and our priority going forward continues to be delivering our MFE technology, reaching commercialisation.

### Operational

Earlier in the year we were awarded three ISO certifications for Occupational Health and Safety (ISO 45001), Environmental Management Systems (ISO 14001), and Quality Management Systems (ISO 9001). The certificates prove our dedication to upholding the highest standards of health and safety, sustainability, and quality management measures in the business.

### Commercial update

We are in a strong position commercially, with the Company's pipeline and order book expected to grow further following the successful commercialisation of our technology. We continue to work in tandem with our licence partners and customers. Through our differentiated commercial strategy we are aiming for 3GW of annual production through licensing and 1GW of production through manufacturing at CPH2 facilities. Our unique and patented technology allows us to expand production quickly, utilising partners, with limited capital outlay through such deals.

During the reporting period, CPH2 achieved a significant milestone by entering into a ten-year licensing agreement with Fabrum, an energy company specialising in cryogenics. Under this strategic agreement, Fabrum gains rights to manufacture MFEs at their facility in Christchurch, New Zealand. Additionally, the licensing deal extends to a non-exclusive sales licence for both Australia and New Zealand. Fabrum can market and distribute these electrolysers in these regions, contributing to the adoption of green hydrogen technology.

Fabrum will manufacture electrolysers either in response to CPH2 orders or independently for their own sales. This adaptability ensures efficient production and timely delivery to meet market demands.

CPH2 also has a licensing agreement with KCA Deutag 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 ten-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.

We are in advanced discussions with a number of potential partners for both new licences and orders.

### People

Our people remain central to the future success of the business. During the year we have focused on growing our engineering and production capabilities under the excellent guidance of Paul Cassidy, who joined in March 2023 as CTO, and Arash Selahi, COO. There is a strong emphasis on promoting a positive health and safety culture at every level of the organisation, with a strong emphasis on open communication and engagement. During 2023 there was 0.5 days in lost time incidents. We are at the cutting edge of green hydrogen production and are proud of the expertise and knowledge we hold within the business backed up by a culture of innovation, passion, inclusiveness, and sincerity.

### Market

The outlook for green hydrogen remains exceptionally promising, with an estimated \$1.7 trillion in global investments into electrolysers over the next 27 years. Global warming and energy security are still two of the most pressing issues we face, and with the need to reach net-zero targets becoming ever-closer, our technology is well positioned alongside the wider sector to help reach these goals.

The global consulting business, McKinsey and Company, predict that clean hydrogen demand could reach 585 million tonnes per annum by 2050. This is testament to why getting our technology right now is far more important than ever.

CPH2 occupies a distinctive position to meet the growing demand for reliable, affordable, and sustainable fuel and we are committed to making a positive impact to benefit all. Our strategic aim is to have 4GW of annual production by the end of 2030. Our patented technology means we can licence our production to third parties. Of the 4GW, we expect 1GW will be manufactured by CPH2 and 3GW will be manufactured under licence.

### Outlook

2024 will be a truly transformational year for CPH2 as we look to commercialise our technology. The upcoming Factory Acceptance Test of the MFE110, has become an important milestone for our stakeholders. Following this, the focus will shift to the completion of the MFE220 orders already under contract. Once we have demonstrated that

our MFE technology operates effectively, we will look to commercialise our technology, building the customer order book and focusing on scaling production. That is when our dual model of production and licensing will start to prove itself. We will only scale at a pace that is truly sustainable.

Looking to this year, 2024 will be about building solid foundations to include supply, engineering, production, finance, sales and marketing. The long-term possibilities for CPH2 are too significant to risk on short-term expediency. To put McKinsey's demand projection of 585 million tonnes of clean hydrogen annually into context - that is the equivalent of over 3.5 million 1MW electrolyzers.

I would like to thank our incredible team at CPH2 for their hard work, dedication and enthusiasm over the past year and look forward to a positive year ahead. I would also like to thank our shareholders for supporting our vision to improve the world we live in and make tangible steps towards net-zero.

**Jon Duffy**  
*Chief Executive Officer*

---

## TECHNOLOGY REVIEW

### Introduction

Technologically, we have made extensive progress throughout the period, overseen by Paul Cassidy, who joined as CTO in March 2023. Paul's wealth of knowledge and track record of scaling up technologies from the laboratory to implementation at a commercial scale has been an asset to the CPH2 team and by challenging the previously held collective understanding of the technology, this has led to critical assessment and improvements in many areas. The appointment of Paul has seen CPH2 build a stronger, more experienced engineering team with excellent industry experience and professional standards, accelerating our internal engineering procedures, commissioning processes and safety standards.

A diversity of new experience and new ideas within our engineering team has led to new R&D innovations and opportunities for efficiencies, enhancing our technology pathway. Throughout the period, we have improved the product design programme with a better understanding of levels of safety. The revamped team also identified potential issues and bottlenecks in relation to the balance of plant which the Company was not previously aware of, all of which have been or are being resolved. By encouraging innovative and collaborative thinking, we have created a stronger, more robust electrolyser design which underscores our confidence in the technology and the potential of its future.

### Progress during the year

Tangible progress has been made throughout the year, with our entire MFE110 system successfully running from September to November 2023, producing separated hydrogen and oxygen gases. The MFE110 contains 125kW stacks, the same sized stacks that will be used for the MFE220. The efficient operation of these stacks has inspired further opportunities for improvements to the balance of plant design to support higher performance for the stacks and ultimately more output.

The ongoing commissioning process has given extensive operability and design feedback which has led to the redesign of some components. This process has been conducted in a methodical way and gives us confidence in our ability to fully commercialise the MFE.

Although the November 2023 operation proved that the technology route is sound and confirmed the design of key equipment, the level of manual intervention by the operators was greater than a commercial product could sustain, which is intended to operate autonomously. After the testing, a work programme was undertaken to revisit the control system to minimise manual intervention and improve the automated shutdown functions.

Post period end, we completed the functional test of the control programme for the MFE110. This control programme is installed in the Programmable Logic Controller ("PLC") which automatically operates the MFE110 and controls elements such as start-up, normal operation, shutdown, and emergency shutdown. The revision of the control programme, and particularly the safety shutdown programme logic, has addressed the issue which originally caused the pausing of the MFE110 FAT in November 2023, and successful completion of the logic control has allowed the Company to progress to the final stages towards FAT test of the MFE110.

During the year a work programme was undertaken to improve the quality and repeatability of stack manufacture through adjusting the manufacturing method. This has resulted in fewer quality failures and greater repeatability in achieving essential quality parameters. This has been conducted alongside a programme to gain CE certification for the stacks.

In regards to developments in safety, the Hazard and Operability Study ("HAZOP") and Layer of Protection Analysis ("LOPA") has been revisited by independent party and implemented findings. The implemented changes to the control system of the electrolyser described above ensures compliance with international functional safety standards IEC-61508 and IEC-61511.

A sitting study and consequence analysis for the electrolyser has been conducted by an independent third party and the findings have been incorporated into CPH2 safety guidelines.

On the MFE220, the design of the system is being finalised and orders have been placed for remaining equipment. A new container layout has been developed for the MFE220 to assist with improved operability, access and ease of shipping.

The design of cryogenic heat exchanger has been optimised for the MFE220 to improve thermal performance, mechanical robustness, and consistency in manufacture. A CE marking process of the cryogenic heat exchanger component is also being undertaken.

### Outlook

Technology is at the heart of what we do. We are striving to deliver the unique Membrane-Free Electrolyser which produces green hydrogen in a simple, safe, and sustainable manner, and at any scale. Looking ahead, our focus is on completing the MFE110 FAT proving our ability to deliver a robust, industry-ready commercial product. The MFE110 FAT is a component level demonstration of the MFE220 commercial product which will be delivered to our first customer within the next twelve months.

Upon commercialisation of our MFE technology, we will continue to invest in R&D, enhancing the operational efficiencies of CPH2 technology through updates to key stacks and cryogenic heat exchanger components. We will continue to invest in R&D related to safety and progress engineering through roll out of build packs for our licensees.

---

## FINANCIAL REVIEW

### Introduction

During the course of 2023, CPH2 made significant progress in advancing the Company's technology towards a commercial offering. The Group finances were carefully managed to enable the technology to develop at pace, yet the overall spend of the organisation was otherwise controlled to conserve its resources whilst the Company is pre-revenue.

Recognising the importance of ensuring resources are focused and not diluted was also a theme in 2023. Where possible we have aligned our activities around CPH2's core focus. During the year, we negotiated the exit of a contract for delivery of a MFE110 loan electrolyser and a 1MW MFE220 to a customer in Paraguay, upon the Company's decision to focus its engineering and installation resources on its current partners and its long-standing customer Northern Ireland Water. As stated in the Chief Executive's Review a conscious decision was made to pause entering into new customer contracts while we focus on moving the technology to being commercially ready.

For the 2023 financial year, administrative expenses of £5.4m increased moderately by £0.6m from the previous year (2022: £4.8m), reflecting 12 months of post IPO expansion (2022: 10 months). Whilst there was a focus recruiting more experienced engineering staff this was moderated by CPH2's expected staff turnover and undertaken in a controlled manner.

Operating loss before tax was £5.4m for the 2023 financial year (2022: £3.8m), reflecting the moderate increase in administrative expenses mentioned above, as well as the one-off exceptional credit of £1m in the comparative year, due to a share-based credit as well as expensed IPO costs as reported last year.

R&D tax credits from the 2023 financial year onwards will be recognised in the year which the credit remains applicable to, whereas up until 2022 R&D tax credits have been recognised only on receipt. This has resulted in the 2023 financial year including a R&D tax credit for expenditure incurred in the 2022 financial year (2022: £0.5m) already received and a R&D tax credit accrued for expenditure incurred in the 2023 financial year.

Capitalised development costs for the year ended 31 December 2023 increased by £2.0m (2022: £4.2m) and there was an increase of £1.6m in spend on plant and equipment (2022 £0.3m) of which £1.0m was in relation to expenditure towards a demonstrator electrolyser. Deferred income has reduced by £0.8m to £1.8m as at 31 December 2023 (2022: £2.6m) on return of certain customer deposits as mutually agreed.

### Cash

We remain in a solid financial position with £8.5m cash and term deposits as at 31 December 2023 (Dec 2022: £15.3m). The net operating cash spend was £3.6m for the year, a 50% reduction compared to the previous year (2022: £7.2m) reflecting a focus on progress with the technology and cost control. Cash spend on investment in development work and patent applications was £2.8m.

### Outlook

CPH2 is in a solid financial position with £8.5m in cash and term deposits, and £1.2m liquid investments at 31 December 2023. As we progress our technology in the fastest route to commercialisation, we will continue to ensure that the financial resources are diligently managed and focused on the Company's core priorities.

**James Hobson**  
**Chief Financial Officer**

---

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	£'000	£'000
Administrative expenses excluding exceptional items	(5,423)	(4,765)
Exceptional net credit	-	986
Total administrative expenses	(5,423)	(3,779)
<b>Operating loss</b>	<b>(5,423)</b>	<b>(3,779)</b>
Finance income	345	216
Finance expense	(49)	(55)
<b>Loss before taxation</b>	<b>(5,127)</b>	<b>(3,618)</b>
Taxation	1,012	174
<b>Loss for the financial year</b>	<b>(4,115)</b>	<b>(3,444)</b>
<b>Other comprehensive (expense)/income</b>		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences	9	(19)
Fair value decrease in respect of investments	(438)	(3)
<b>Total comprehensive expense for the year</b>	<b>(4,544)</b>	<b>(3,466)</b>
<b>Basic and diluted earnings per share (pence)</b>	<b>(1.54)</b>	<b>(1.35)</b>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2023

	31 December 2023	31 December 2022
	£'000	£'000
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	7,614	5,476
Property, plant and equipment	2,642	1,387
Fair value through OCI investments	1,059	1,497
Other receivables	120	120
	<b>11,435</b>	<b>8,480</b>
<b>Current assets</b>		
Inventories	3,155	2,363
Trade and other receivables	1,449	3,239
Current asset investments	6,000	13,500
Cash and cash equivalents	2,468	1,790
	<b>13,072</b>	<b>20,892</b>
<b>Total assets</b>	<b>24,507</b>	<b>29,372</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	(1,037)	(844)
Deferred income	-	(1,858)
Lease liabilities	(128)	(121)
	<b>(1,165)</b>	<b>(2,823)</b>
<b>Non-current liabilities</b>		
Deferred income	(1,780)	(641)
Lease liabilities	(609)	(737)
	<b>(2,389)</b>	<b>(1,378)</b>
<b>Total liabilities</b>	<b>(3,554)</b>	<b>(4,201)</b>
<b>Net assets/(liabilities)</b>	<b>20,953</b>	<b>25,171</b>
<b>Equity</b>		
Called up share capital	2,682	2,654
Share premium account	27,707	27,638
Merger reserve	3,702	3,702
Currency translation reserve	(6)	(15)
Accumulated loss	(13,132)	(8,808)
<b>Total equity</b>	<b>20,953</b>	<b>25,171</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital £'000	Share premium account £'000	Merger reserve £'000	Foreign currency reserve £'000	Accumulated loss £'000	Total equity £'000
<b>Balance as at 31 December 2021</b>	<b>9</b>	<b>5,545</b>	<b>-</b>	<b>4</b>	<b>(5,910)</b>	<b>(352)</b>
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	802	27,638	-	-	-	28,440
Total contributions by owners	2,645	22,093	3,702	-	549	28,989
<b>Balance as at 31 December 2022</b>	<b>2,654</b>	<b>27,638</b>	<b>3,702</b>	<b>(15)</b>	<b>(8,808)</b>	<b>25,171</b>
Loss for the financial year	-	-	-	-	(4,115)	(4,115)
Other comprehensive expense	-	-	-	9	(438)	(429)
Total comprehensive expense for the year	-	-	-	9	(4,553)	(4,544)
Share based payments	-	-	-	-	229	229
Issue of share capital	28	69	-	-	-	97
<b>Balance as at 31 December 2023</b>	<b>2,682</b>	<b>27,707</b>	<b>3,702</b>	<b>(6)</b>	<b>(13,132)</b>	<b>20,953</b>

**CONSOLIDATED CASH FLOW STATEMENT**  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £'000	2022 £'000
<b>Cash flow from operating activities</b>			
Loss for the financial year		(4,115)	(3,444)
<b>Adjustment for:</b>			
Depreciation and amortisation		413	249
Loss on disposal		-	5
Share based payments		229	(1,416)
Foreign exchange		11	(25)
Net finance income		(296)	(161)
Taxation credit		(1,012)	(174)
<b>Changes in working capital:</b>			
Increase in inventories		(155)	(281)
Decrease/(increase) in trade and other receivables		2,116	(2,361)
(Decrease)/increase in trade and other payables		(526)	293
<b>Cash used in operations</b>		<b>(3,335)</b>	<b>(7,315)</b>
Income tax received		686	143
<b>Net cash used in operating activities</b>		<b>(2,649)</b>	<b>(7,172)</b>
<b>Cash flows from investing activities</b>			
Current asset investments withdrawn/(made)		7,500	(13,500)
Purchase of property, plant and equipment		(1,595)	(292)
Purchase of intangible assets		(2,850)	(4,316)
Purchase of investments		-	(1,500)
<b>Net cash generated from/(used in) investing activities</b>		<b>3,055</b>	<b>(19,608)</b>
<b>Cash flows from financing activities</b>			
Issue of share capital (net of costs)		97	28,440
Interest received		345	216
Related party loan repaid		-	(382)
Interest paid		(49)	(55)
Payment of lease liabilities		(121)	(129)
<b>Net cash generated from financing activities</b>		<b>272</b>	<b>28,090</b>
<b>Net increase in cash and cash equivalents</b>		<b>678</b>	<b>1,310</b>
Cash and cash equivalents at the beginning of the year		1,790	480
<b>Cash and cash equivalents at the end of the year</b>		<b>2,468</b>	<b>1,790</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 DECEMBER 2023

**1 Summary of significant accounting policies and general information**

Clean Power Hydrogen plc is a public company incorporated in the United Kingdom and quoted 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**

In assessing the Group's ability to operate as a going concern, the Board have prepared cash flow forecasts for the period to 31 December 2025 in relation to likely future cash flows in a base case scenario, an upside scenario and a downside scenario. The base case scenario assumes expected likely future operations but with conservative assumptions on new sales orders. The upside scenario considers likely future operations but with moderate growth

assumptions on new sales orders. The upside scenario considers likely future operations but with moderate growth in new sales.

The downside scenario explores the scenario where a fundamental technology issue is found, that would result in delay of at least twelve months to find a solution. If such an issue arose the Group would aim to take a number of coordinated actions designed to reduce cash burn whilst having sufficient capabilities to resolve the issue, including selective disposal of assets, a cost reduction programme and other commercial actions.

The forecasts for each of the scenarios 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.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

FR SFLFMAELSES