The information communicated within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 which is part of UK law by virtue of the European Union (withdrawal) Act 2018. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

27 September 2024

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

Interim Results for the six months ended 30 June 2024

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 unaudited results for the six months ended 30 June 2024.

Highlights

- On September 26th, the MFE110, the Company's first scaled membrane free electrolyser, successfully completed the Factory Acceptance Test ("**FAT**"), confirming the first customer acceptance and validation of CPH2's scaled electrolyser technology.
- Successfully completing the FAT has proved the Company's thesis that membrane-free technology is a viable and potentially highly competitive alternative to PEM and Alkaline electrolysers.
- The successful FAT is a major commercial milestone, marking the completion of the research & development phase on CPH2's pathway and moves the Company to focus on the Commerciality Phase which is focused on the MFE220, CPH2's flagship 1MW system.
- In June 2024, CPH2 was awarded a CE marking for the process of making its electrolyser stacks, having received a Declaration of Conformity following an independent assessment, from a Notified Body.
- In February 2024, CPH2 was awarded three ISO certifications for Occupational Health and Safety (ISO 45001), Environmental Management Systems (ISO 14001) and Quality Management Systems (ISO 9001).

Financial Highlights

- Cash and cash equivalents of £4m.
- Loss of £2.3m in the six months to June 2024.
- £1.8m spent on development work in the period.

Jon Duffy, CEO of CPH2, commented: *"The last period, has been one of tremendous growth, learnings and achievements. The FAT completion of the MFE110 is the most significant milestone in CPH2's journey to market and marks a turning point in the company's strategic direction towards commercialisation.*

The Commerciality Phase will focus on building the MFE220, our 1MW system to our existing contracted customers as well as activating our licensees in preparation for their manufacturing and scale.

I am very proud of our staff's dedication, professionalism and effort. We maintained a disciplined engineering approach, prioritising the safety and reliability of the technology in order to create a product that delivers a modular solution to the hydrogen production market in a cost-effective, scalable, reliable and long-lasting manner and in doing so have reached commercialisation."

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

Camarco PR + 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 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.

Chief Executive's Statement

Technology update

During the period, we were pleased to successfully complete Level 1 of the FAT for the MFE110 electrolyser. Level 1 verified that mechanical and electrical components were checked, confirmed that all documentation was in order, and that the MFE's design and build was aligned to the documentation and compliant to relevant safety standards.

Following the period-end we completed Level 2 and Level 3 of the FAT. Level 2, which was witnessed by Lagan MEICA the Principal Contactor and Arup, representative for Northern Ireland Water, verified the functionality of the MFE110 electrolyser. The test included end-to-end checks of control loops, electrical and mechanical plant, instrument calibration, and electrical installations in accordance with requirements.

The FAT process culminated in the completion of the final Level 3, which verified the safe, successful startup, operation, performance, and shutdown of the MFE110 unit. During the test, key metrics such as the unit's hydrogen and oxygen output pressure, flow rate, and purity levels were recorded. All metrics achieved the necessary thresholds, confirming that the unit can function effectively.

The successful completion of the FAT validates our low cost, robust technology, proving our electrolyser works at scale. I'd like to thank the whole CPH2 team for their dedication and hard work as well as our shareholders for their patience and commitment to our journey to deliver a simple, safe and sustainable technology for the hydrogen sector.

During the period, the Company was also awarded CE marking for the process of making its electrolyser stacks. The stacks, used in the MFE110 and to be used in the MFE220, are a key component of the electrolysers made at the facility in Doncaster as well as sold to license partners. The CE marking illustrates that the Company manufactures the stacks within the EU directives and harmonised standards.

We also continued focusing on improving our systems and standards during the period, and announced the award of three ISO certifications for Occupational Health and Safety (ISO 45001), Environmental Management Systems (ISO 14001) and Quality Management Systems (ISO 9001).

Strategic update

With the MFE technology now proved at scale, we consider the R&D Phase of CPH2 now completed, and a turning point in the Company's focus towards commercialisation. The Commerciality Phase which we are now transitioning to will consist of: delivering on our existing three MFE220 customer contracts; activating the licensees and supporting them with finalised MFE220 designs, instructions, procedures, training and procurement support; continued technology and product improvement; and growing the commercial pipeline.

The deliverables through the Commerciality Phase will be focused on revenue generation with commercial MFE electrolysers working on customer sites, and licensees commencing manufacturing. The capabilities developed and activities undertaken during the Commerciality Phase is expected to provide valuable learnings in the subsequent Scale Phase.

Financial review

The Company has carefully managed its cash resources during the period, ensuring cash is controlled and focused on supporting the build, commissioning and testing of the MFE110. The Company incurred a loss of £2.3m for the period ended 30 June 2024 (H1 2023: £1.6m). Administrative costs were tightly controlled and broadly the same as H2 2023, though £0.5m higher than the comparative period. The Company invested £1.8m in development costs (H1 2023: £1.3m) with the focus on supporting the MFE110. As at 30 June 2024 cash and cash equivalents (including term deposits) were £4.0m, a reduction of £4.4m from 31 December 2023.

Conclusion and Outlook

The last period has been one of growth, learnings and achievements. We maintained a disciplined engineering approach, prioritising the safety and reliability of the technology in order to create a product that delivers a modular solution to the hydrogen production market in a cost-effective, scalable, reliable and long-lasting manner. Successfully completing the FAT has proved our thesis that membrane-free technology is a viable and potentially highly competitive alternative to PEM and Alkaline electrolysers.

We have reached our largest milestone yet, and the commercialisation of the MFE110 lays the foundation for the continued development of our flagship 1MW system, the MFE220. We now turn our attention to the next phase of growth, our Commerciality Phase, building on the positive momentum of our R&D Phase.

The energy transition and opportunity for hydrogen continues to grow and we look forward to entering our next phase of growth with a commercialised technology which provides a compelling, disruptive and attractive offering.

Thank you to all our staff who have helped us reach this moment in our journey and to our shareholders for continuing the journey with us. We look forward to updating the market with further progress in due course.

Jon Duffy
Chief Executive Officer

Consolidated Statement of Comprehensive Income

FOR THE PERIOD ENDED 30 JUNE 2024

	Note	**6 months ended 30 June 2024**	6 months ended 30 June 2023	Year ended 31 December 2023
		Unaudited	Unaudited	Audited
		£'000	£'000	£'000
Administrative expenses		**(2,753)**	(2,260)	(5,423)
Operating loss		**(2,753)**	(2,260)	(5,423)
Finance income		**113**	163	345
Finance expense		**(22)**	(24)	(49)
Loss before taxation		**(2,662)**	(2,121)	(5,127)
Taxation	4	**357**	512	1,012
Loss for the financial period		**(2,305)**	(1,609)	(4,115)
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation differences		**9**	12	9
Fair value decrease in respect of investments		**(254)**	(42)	(438)
Total comprehensive expense for the period		**(2,550)**	(1,639)	(4,544)

	Note			
Basic and diluted earnings per share (pence)	5	**(0.86)**	(0.60)	(1.54)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

	Note	**30 June 2024**	30 June 2023	31 December 2023
		Unaudited	Unaudited	Audited
		£'000	£'000	£'000
Assets				
Non-current assets				
Intangible assets	6	**9,427**	6,828	7,614
Property, plant and equipment		**2,736**	1,626	2,642
Fair value through OCI investments	7	**805**	1,455	1,059
Trade and other receivables		**120**	120	120
		13,088	10,029	11,435
Current assets				
Inventories	8	**3,966**	2,443	3,155
Trade and other receivables	9	**1,650**	2,304	1,449
Current asset investments		**-**	8,000	6,000
Cash and cash equivalents		**4,000**	4,907	2,468
		9,616	17,654	13,072
Total assets		**22,704**	27,683	24,507
Liabilities				
Current liabilities				
Trade and other payables		**(1,562)**	(717)	(1,037)
Deferred income		**-**	(1,802)	-
Lease liabilities		**(162)**	(124)	(128)
		(1,724)	(2,643)	(1,165)
Non-current liabilities				
Deferred income		**(1,771)**	(630)	(1,780)
Lease liabilities		**(672)**	(673)	(609)
		(2,443)	(1,303)	(2,389)
Total liabilities		**(4,167)**	(3,946)	(3,554)
Net assets		**18,537**	23,737	20,953
Equity				
Called up share capital		**2,682**	2,682	2,682
Share premium account		**27,707**	27,707	27,707
Merger reserve		**3,702**	3,702	3,702
Currency translation reserve		**3**	(3)	(6)
Accumulated loss		**(15,557)**	(10,351)	(13,132)
Total equity		**18,537**	23,737	20,953

The accompanying notes are an integral part of these condensed consolidated financial statements.

Consolidated Statement of Changes in Equity

FOR THE PERIOD ENDED 30 JUNE 2024

	Called up share capital £'000	**Share premium account £'000**	**Merger reserve £'000**	**Foreign currency reserve £'000**	**Accumulated loss £'000**	**Total Equity £'000**
Balance as at 1 January 2023	2,654	27,638	3,702	(15)	(8,808)	25,171
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
Total contributions by owners	**2,682**	**27,707**	**3,702**	**(6)**	**(13,132)**	**20,953**
Balance as at 31 December 2023						
Loss for the financial period	-	-	-	-	(2,305)	(2,305)
Other comprehensive expense	-	-	-	9	(254)	(245)
Total comprehensive expense for the period	-	-	-	9	(2,559)	(2,550)
Share based payments	-	-	-	-	134	134
Total contributions by owners	-	-	-	-	134	134
Balance as at 30 June 2024	**2,682**	**27,707**	**3,702**	**3**	**(15,557)**	**18,537**

Comparatives for the six months ended 30 June 2023 are provided separately below:

	Called up share capital £'000	**Share premium account £'000**	**Merger reserve £'000**	**Foreign currency reserve £'000**	**Accumulated loss £'000**	**Total Equity £'000**
Balance as at 1 January 2023	2,654	27,638	3,702	(15)	(8,808)	25,171
Loss for the financial period	-	-	-	-	(1,609)	(1,609)
Other comprehensive expense	-	-	-	12	(42)	(30)
Total comprehensive expense for the year	-	-	-	12	(1,651)	(1,639)
Share based payments	-	-	-	-	108	108
Issue of share capital	28	69	-	-	-	97
Total contributions by owners	28	69	-	-	108	205
Balance as at 30 June 2023	**2,682**	**27,707**	**3,702**	**(3)**	**(10,351)**	**23,737**

Consolidated Cash Flow Statement

FOR THE PERIOD ENDED 30 JUNE 2024

	6 months ended 30 June 2024	6 months ended 30 June 2023	Year ended 31 December 2023
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Cash flow from operating activities			
Loss for the financial period	**(2,305)**	(1,609)	(4,115)
Adjustment for:			
Depreciation and amortisation	**259**	177	413
Share based payments	**134**	108	229
Foreign exchange	**12**	16	11
Net finance income	**(91)**	(139)	(296)
Taxation credit	**(357)**	(512)	(1,012)
Changes in working capital:			
Increase in inventories	**(811)**	(80)	(155)
Decrease/(increase) in trade and other receivables	**156**	1,273	2,116
(Decrease)/increase in trade and other payables	**516**	(194)	(526)
Cash used in operations	**(2,487)**	(960)	(3,335)
Income tax received	**-**	174	686
Net cash used in operating activities	**(2,487)**	(786)	(2,649)
Cash flows from investing activities			
Current asset investments disinvested	**6,000**	5,500	7,500
Purchase of property, plant and equipment	**(143)**	(388)	(1,595)
Purchase of intangible assets	**(1,867)**	(1,384)	(2,850)
Net cash generated from investing activities	**3,990**	3,728	3,055
Cash flows from financing activities			
Issue of share capital (net of costs)	**-**	97	97
Interest received	**113**	163	345
Interest paid	**(22)**	(24)	(49)

	6 months ended 30 June 2024	6 months ended 30 June 2023	Year ended 31 December 2023
Payment of lease liabilities	**(62)**	(61)	(121)
Net cash generated from financing activities	**29**	175	272
Net increase in cash and cash equivalents	**1,532**	3,117	678
Cash and cash equivalents at the beginning of the period	**2,468**	1,790	1,790
Cash and cash equivalents at the end of the period	**4,000**	4,907	2,468

Notes to the Condensed Interim Financial Statements

FOR THE PERIOD ENDED 30 JUNE 2024

1 Corporate 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 principal activity of the Company is as a holding company for subsidiaries engaged in the development of a patented method of hydrogen and oxygen production together with the development of a gas separation technique which enables hydrogen to be produced as 'Green Hydrogen' and oxygen to medical grade purity.

2 Basis of preparation

This unaudited condensed interim consolidated financial statements for the six months ended 30 June 2024 and 30 June 2023 has been prepared in accordance with UK adopted international accounting standards ('IFRS') including IAS 34 'Interim Financial Reporting'.

The accounting policies applied by the Group include those as set out in the consolidated financial statements for the Group for the year ended 31 December 2023 and are consistent with those to be used by the Group in its next financial statements for the year ending 31 December 2024.

There are no new standards, interpretations and amendments which are not yet effective in these financial statements, expected to have a material effect on the Group's future financial statements.

The condensed interim consolidated financial statements does not contain all of the information that is required to be disclosed in a full set of IFRS financial statements. The condensed interim consolidated financial statements for the six months ended 30 June 2024 and 30 June 2023 are unaudited and do not constitute the Group or Company's statutory financial statements for those periods.

The comparative financial information for the full year ended 31 December 2023 has, however, been derived from the audited statutory financial statements for Clean Power Hydrogen plc for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.
These policies have been applied consistently to all periods presented, unless otherwise stated.

The condensed interim consolidated financial statements have been prepared under the historical cost convention with the exception of the fair values applied in accounting for share based payments and investments. The condensed interim consolidated financial statements and the notes to the financial statements are presented in thousands of pounds sterling ('£'000'), the functional and presentation currency of the Group, except where otherwise indicated.

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 for the foreseeable future. The forecast shows that whilst the Group will be able to operate within the level of cash reserves into 2025, further funding will be needed to continue in operational existence for a period of 12 months from the date of approval of these financial statements. In forming the conclusion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis the Directors have made the assumption that sufficient funding can be obtained from new and existing investors. Although the Directors are confident that sufficient funding will be obtained as required, there can be no guarantee that such funding will be obtained and accordingly a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.

3 Segment reporting

IFRS 8, Operating Segments, requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the company's chief operating decision maker. The chief operating decision maker is considered to be the executive Directors.

The Group at this stage comprises only one operating segment for the development and sale of equipment for the electrolytic production of clean hydrogen and oxygen. This is monitored by the chief operating decision maker and strategic decisions are made on the basis of adjusted segment operating results.

4 Taxation

Tax credits in respect of research and development expenditure were recognised when submitted and on receipt to date whilst experience of claims being collated and accepted was gained. The credit for the period to June 2023 relates to the claim submitted for the year ended 31 December 2022. The credit for the year ended 31 December 2023 relates to the claim submitted for the year ended 31 December 2022 and an estimate for the claim for the year ended 31 December 2023. The credit for the six month period to June 2024 relates to an estimate for this period.

5 Earnings per share

	30 June 2024	30 June 2023	31 December 2023
Loss used in calculating earnings per share (£'000)	**(2,305)**	(1,609)	(4,115)
Weighted average number of shares for basic EPS ('000)	**268,184**	266,422	267,313
Basic and diluted loss per share (pence)	**(0.86)**	(0.60)	(1.54)

There is no dilutive effect on a loss. There are potentially dilutive options in place over 17,388,981 ordinary shares at 30 June 2024.

6 Intangible fixed assets

	Development costs £'000	**Patents £'000**	**Software £'000**	**Total £'000**
Cost				
At 1 January 2024	7,301	372	55	7,728
Additions	1,827	40	-	1,867
Exchange movements	-	(3)	-	(3)
At 30 June 2024	**9,128**	**409**	**55**	**9,592**
Accumulated depreciation				
At 1 January 2024	-	79	35	114
Charge for the period	-	44	7	51
At 30 June 2024	**-**	**123**	**42**	**165**
Net book amount				
At 30 June 2024	**9,128**	**286**	**13**	**9,427**
At 31 December 2023	7,301	293	20	7,614

The development costs relate to the direct expenditure incurred on the Group's membrane free electrolysis technology.

7 Investments held at fair value through other comprehensive income

	£'000
As at 1 January 2024	1,059
Movement in fair value	(254)
Fair value at 30 June 2024	**805**

The Company holds 1,412,429 ordinary £0.02 shares in ATOME PLC, representing 3.5% of its issued share capital. ATOME PLC is listed on AIM and is focused on the production, marketing and distribution of green hydrogen and ammonia. On the 25 September 2024, the fair value of the investment in ATOME PLC was £1,109,000.

The fair value at 30 June 2024 is measured using the quoted price on the AIM market at that date (a level 1 input using the price from an active market).

8 Inventories

Group and Company	**30 June 2024** **£'000**	30 June 2023 £'000	31 December 2023 £'000
Raw materials and consumables	**3,754**	1,692	3,155
Work in progress	**212**	751	-
	3,966	2,443	3,155

No impairment of inventory has arisen.

Work in progress represents the costs incurred in the production of machines for confirmed but not completed orders.

9 Trade and other receivables

Current	**30 June 2024** **£'000**	30 June 2023 £'000	31 December 2023 £'000
Trade receivables	**80**	81	82
Other receivables	**204**	849	231
Tax recoverable	**857**	512	500
Prepayments and accrued income	**509**	862	636
	1,650	2,304	1,449
Non-current			
Other receivables	**120**	120	120

There has been no significant revenue to 30 June 2024 and there have been no impairment charges nor expected credit loss provisions made, as the credit risk in respect of trade and other receivables is considered low. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

£475,000 of other receivables and deferred income at 30 June 2023 related to cash from a customer held in escrow subject to completion of the order.

10 Related party transactions

Directors remuneration during the 6 month period ended 30 June 2024 amounted to £280,734 (6 month period ended 30 June 2023 : £337,317).