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26 November 2024

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

### **Operational & Strategic Update and Proposed Fundraising**

CPH2, the UK-based green hydrogen technology and manufacturing company that has developed the IP-protected Membrane-Free Electrolyser ("MFE"), is pleased to provide an update on current operational activities and strategy.

Following the announcement of the successful Factory Acceptance Test ("FAT") of its MFE110 unit in September, which confirmed the first customer acceptance and validation of the Company's unique scaled electrolyser technology, the Company is now moving into the next stage of its development and is targeting the full commercialisation of its flagship MFE220 unit and the generation of first revenues in 2025.

CPH2 currently has contracts for the sale of four MFE220 units, with one unit to be deployed to Belfast for Northern Ireland Water ("NIW"), two further units to Fabrum Solutions Limited in New Zealand ("Fabrum") and, as announced most recently, one unit to Lisheen H2 Energy Park Limited, which trades under the name Hidrigin, in Ireland ("Hidrigin"). In addition, CPH2 has licence agreements in place with Fabrum, Hidrigin and Kenera Energy Solutions Limited ("Kenera"), a business unit within leading drilling, engineering and technology company, KCA Deutag, which enable CPH2 to rapidly scale up to meet demand for its MFE technology across multiple geographies.

The Board is focused on establishing the optimal strategy to enable the commercialisation of its unique and highly scalable MFE product and is seeking to implement a business model which builds CPH2's in-house manufacturing capability alongside the activation of the three existing licensees and which results in a flexible, capital-light model that prioritises capital efficiency and sustainable growth to optimise value for shareholders.

The Company's short-term activities are aimed at deploying the initial MFE110 unit to NIW and completing the design and optimisation of the MFE220. The first MFE220 electrolyser will be built for NIW, followed by the Hidrigin unit and the two units for Fabrum. During the next 18 months the Company also intends to fully activate its various licensees and build out its commercial team. These activities are to prepare the Company for increasing its manufacturing capability in late 2026 as it moves into the scale phase of the commercialisation pathway.

A copy of the Company's latest corporate presentation is available on the Company's website at [www.cph2.com/investors/](http://www.cph2.com/investors/).

### **Proposed Fundraising**

In order to fund the implementation of this strategy, the Company is proposing to raise a minimum of £6m by way of a fundraising (the "Fundraising") of new ordinary shares in the capital of the Company (the "New Shares") at a proposed price of 7.5 pence per New Share (the "Issue Price"), which represents a discount of 20.8 per cent. to the volume weighted average price of the Company's shares in the 20 trading days prior to 25 November 2024 (being the last business day prior to this announcement) and a discount of 2 per cent. to the closing middle market price of 7.65 pence on that date.

The Fundraising is expected to be carried out by way of a subscription, a placing (by way of an accelerated book build process) and a retail offer via the Bookbuild platform in order to enable the Company's retail shareholder base to participate and to continue to support its growth strategy (the "Retail Offer"). Further details of the Fundraising will be announced in due course.

The Company has received expressions of interest from certain existing shareholders and other investors, including Kenera and a number of the directors of CPH2, to participate in the Fundraising at the Issue Price.

The net proceeds of the Fundraising will be used to fund its working capital requirements through to the FAT of its first commercial MFE220 unit and, during that time, also to facilitate the:

- shipping, installation and commissioning of MFE110 to NIW; and
- finalisation of MFE220 design.

Any additional proceeds raised pursuant to the Fundraising will provide additional working capital support and further strengthen the balance sheet.

Whilst the Company has received non-binding indications of interest, there can be no certainty at this time that the Fundraising will complete on the proposed terms or at all. Shareholders should note that, in the event that the Fundraising is not successful and alternative funding is not made available, the amount of working capital available to the Company will be severely limited. There is no certainty that other funding would be available on suitable terms or at all. Accordingly, in light of the Company's existing cash position, it would be likely that the Company would have to severely restrict its costs, impacting its ability to continue its operations during 2025 and to progress its growth strategy.

**Jon Duffy, CEO of Clean Power Hydrogen commented:**

*"This operational and strategic update highlights our dedication to delivering innovative, scalable solutions while maintaining a disciplined, efficient approach to growth and commercialisation. Deploying the MFE110 to Northern Ireland Water and advancing the MFE220 design are key steps on our path to full commercialisation of our technology. The proposed Fundraising will provide the necessary resources to drive these initiatives forward and support our sustainable growth ambitions."*

**ENDS**

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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 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.

## **Forward-Looking Statements**

This announcement contains forward-looking statements. These statements relate to the Group's future prospects, developments and business strategies. Forward-looking statements are identified by their use of terms and phrases such as "potential", "estimate", "expect", "may", "will" or the negative of such terms and phrases, variations or comparable expressions, including references to assumptions. The forward-looking statements in this announcement are based on current expectations and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements. These forward-looking statements speak only as at the date of this announcement. No statement in this announcement is intended to constitute a profit forecast or profit estimate for any period. No representation or warranty is given as to the completeness or accuracy of the forward-looking statements contained in this Announcement. Neither the Directors nor the Company undertake any obligation to update forward-looking statements other than as required by the AIM Rules or by the rules of any other securities regulatory authority, whether as a result of new information, future events or otherwise.

## **Market Abuse Regulation**

Market soundings, as defined in MAR, were taken in respect of the Fundraising, with the result that certain persons became aware of inside information, as permitted by MAR. That inside information is set out in this announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of MAR. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to the Company and its securities.

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