

24 March 2026

|                     |             |
|---------------------|-------------|
| <b>Price (p)</b>    | <b>5.50</b> |
| Shares in issue (m) | 502         |
| Mkt Cap (£m)        | 28          |
| Net debt (£m)       | -5          |
| EV (£m)             | 22          |
| BVPS (p)            | 2.4         |

#### Share price performance

|                     |         |
|---------------------|---------|
| 1m                  | 22.2%   |
| 3m                  | -4.3%   |
| 12m                 | -14.1%  |
| 12 m high/low       | 7.3/3.7 |
| Ave daily vol (30D) | 539,419 |
|                     | 22.2%   |

#### Longspur Valuation Estimates

Low 17p, Central 78p, High 163p

#### Shareholders (Bloomberg)

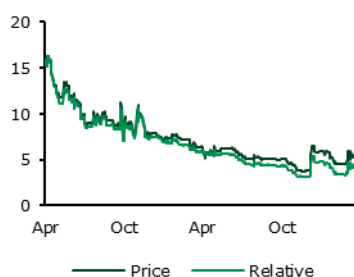
|                      |       |
|----------------------|-------|
| Joe Scott Mouldings  | 7.5%  |
| Hargreaves Lansdown  | 5.3%  |
| Kenera Energy Soluti | 4.2%  |
| Aurelius Investments | 4.2%  |
| Interactive Investor | 4.0%  |
| Dangoor Elie Basil V | 3.3%  |
| Price Henry          | 2.6%  |
| A J Bell Securities  | 2.6%  |
| Julius Baer Group Lt | 2.5%  |
| Williamson Nigel     | 2.0%  |
| Total for top 10     | 38.0% |
| Free float           | 63.6% |

#### Next news

Finals Q1

#### Business description

Membrane free electrolyzers



## SIEMENS MoU TO TAKE MFE FORWARD

**CPH2's MoU with Siemens comes as the company has proven the strong competitive credentials of its membrane free electrolyser. We see high levels of hydrogen and oxygen purity combined with electrolyser efficiency of 48kWh/kg as putting the CPH2 technology in an unrivalled competitive position. Combining this with a partner such as Siemens puts CPH2 in a stronger position to take the technology to the market in our view.**

#### MoU with Siemens

CPH2 has announced that it has signed a non-binding memorandum of understanding with Europe's largest engineering company, Siemens. Under the deal, which is expected to be followed by a legally binding agreement, Siemens will assist CPH2 across a range of activities targeting the scale up of production of CPH2's Membrane Free Electrolyser (MFE). It will also focus on maintaining the company's technological leadership. The two companies have been actively discussing a range of activities from enhanced process and automation to customer introduction, marketing, 24/7 technical support, training, joint product and process development and go-to-market strategies.

#### Confirms MFE's Competitive Advantages

With the verification earlier this year that future MFE's will be able to deliver a system-level efficiency of 48kWh per kg of hydrogen produced, we see the CPH2 technology as having a significant competitive advantage over other low carbon hydrogen technologies and are not surprised that Siemens should happily look to work with CPH2. With their strong experience in production and industrial automation, we see Siemens as the ideal partner to take the MFE to the next stage.

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| £,000 Dec       | 2024a  | 2025e  | 2026e  | 2027e  | 2028e  | 2029e  |
|-----------------|--------|--------|--------|--------|--------|--------|
| Sales           | 0      | 0      | 1,163  | 5,648  | 12,206 | 29,954 |
| EBITDA          | -4,838 | -5,730 | -5,823 | -6,603 | -3,773 | 2,257  |
| PBT             | -5,283 | -6,523 | -6,676 | -7,602 | -4,921 | 965    |
| EPS             | -1.8   | -1.3   | -1.1   | -1.2   | -0.8   | 0.1    |
| CFPS            | -3.0   | -1.5   | -1.1   | -0.7   | 0.1    | 0.1    |
| DPS             | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |
| Net Debt (Cash) | 497    | -5,201 | -4,449 | -280   | -906   | -1,538 |
| Debt/EBITDA     | -0.1   | 0.9    | 0.8    | 0.0    | 0.2    | -0.7   |
| P/E             | -3.1   | -4.2   | -5.1   | -4.5   | -7.0   | 47.3   |
| EV/EBITDA       | -5.8   | -3.9   | -3.8   | -3.4   | -5.9   | 9.9    |
| EV/sales        | na     | na     | 19.3   | 4.0    | 1.8    | 0.7    |
| FCF yield       | -0.6%  | -0.3%  | -0.2%  | -0.1%  | 0.0%   | 0.0%   |

## KEY DATA

Clean Power Hydrogen's (CPH2) membrane free electrolyser (MFE) is a major departure from existing designs although builds on the successful proton exchange membrane (PEM) electrolyser. However, it has no catalyst coated membrane. This means no membrane to degrade and no use of expensive platinum group metals as a catalyst. As a result, it has all the benefits of a PEM electrolyser with flexible operation and high pressure, high purity output but at a much lower cost. It also not reliant on PFAS, the forever chemicals that could face a ban in Europe. The company has recently raised £7.4m in new equity giving it firepower to build on opportunities following the successful deployment and operation of its pilot project.

## BULL POINTS

- Potentially the electrolyser delivering the lowest cost hydrogen
- Already taking orders
- Ideal for co-location with intermittent and curtailed renewables

## BEAR POINTS

- Policy uncertainty on hydrogen in some markets including the US
- Early-stage company only starting to take orders
- Company will require additional capital to secure growth

## CATALYSTS

- Delivery against existing orders
- Near term costs gains secured

## VALUATION

We have valued the company using a DCF approach with a discount rate of 14.2%. Using this approach we have derived sales and cashflows based on demand forecasts for the company's initial geographic focus and only focused on market statistics for deliverable offtakes. This gives us a central case valuation of 74p per share. Narrowing the market to binding offtakes gives a low case of 14p and increasing to all offtake deals gives 155p. Finally widening to all geographies except China gives a "blue sky" valuation of 294p.

## RISKS

The key risks to our valuations are technology redundancy, competition, and any stalling of the hydrogen economy. The company may need further funding and has a reasonable expectation of doing so.

## FINANCIAL MODEL

### Profit and Loss Account

| £,000, Dec              | 2024a         | 2025e         | 2026e         | 2027e         | 2028e         | 2029e         |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Turnover</b>         |               |               |               |               |               |               |
| Electrolysers           | 0             | 0             | 1,163         | 5,648         | 12,206        | 29,954        |
| Other                   | 0             | 0             | 0             | 0             | 0             | 0             |
| Other                   | 0             | 0             | 0             | 0             | 0             | 0             |
| Other                   | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>Total</b>            | <b>0</b>      | <b>0</b>      | <b>1,163</b>  | <b>5,648</b>  | <b>12,206</b> | <b>29,954</b> |
| <b>Operating profit</b> |               |               |               |               |               |               |
| Electrolysers           | -5,370        | -6,486        | -6,679        | -7,605        | -4,921        | 964           |
| Other                   | 0             | 0             | 0             | 0             | 0             | 0             |
| Other                   | 0             | 0             | 0             | 0             | 0             | 0             |
| Other                   | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>Operating profit</b> | <b>-5,370</b> | <b>-6,486</b> | <b>-6,679</b> | <b>-7,605</b> | <b>-4,921</b> | <b>964</b>    |
| <b>P&amp;L Account</b>  |               |               |               |               |               |               |
| <b>Turnover</b>         | <b>0</b>      | <b>0</b>      | <b>1,163</b>  | <b>5,648</b>  | <b>12,206</b> | <b>29,954</b> |
| <b>Operating Profit</b> | <b>-5,370</b> | <b>-6,486</b> | <b>-6,679</b> | <b>-7,605</b> | <b>-4,921</b> | <b>964</b>    |
| Investment income       | 0             | 0             | 0             | 0             | 0             | 0             |
| Net Interest            | 87            | -37           | 3             | 3             | 0             | 1             |
| Pre Tax Profit (UKSIP)  | -5,283        | -6,523        | -6,676        | -7,602        | -4,921        | 965           |
| Goodwill amortisation   | 0             | 0             | 0             | 0             | 0             | 0             |
| Exceptional Items       | -9,662        | 0             | 0             | 0             | 0             | 0             |
| Pre Tax Profit (IFRS)   | -14,945       | -6,523        | -6,676        | -7,602        | -4,921        | 965           |
| Tax                     | 508           | 0             | 0             | 0             | 0             | -241          |
| Post tax exceptionals   | 0             | 0             | 0             | 0             | 0             | 0             |
| Minorities              | 0             | 0             | 0             | 0             | 0             | 0             |
| Net Profit              | -14,437       | -6,523        | -6,676        | -7,602        | -4,921        | 724           |
| Dividend                | 0             | 0             | 0             | 0             | 0             | 0             |
| Retained                | -14,437       | -6,523        | -6,676        | -7,602        | -4,921        | 724           |
| EBITDA                  | -4,838        | -5,730        | -5,823        | -6,603        | -3,773        | 2,257         |
| EPS (p) (UKSIP)         | -1.77         | -1.30         | -1.07         | -1.22         | -0.79         | 0.12          |
| EPS (p) (IFRS)          | -5.37         | -1.30         | -1.07         | -1.22         | -0.79         | 0.12          |
| FCFPS (p)               | -3.03         | -1.47         | -1.09         | -0.67         | 0.10          | 0.10          |
| Dividend (p)            | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |

Source: Company data, Longspur Research estimates

### KEY POINTS

- Initial sales delivered and revenue recognised in FY 26
- Further growth in FY 27 and more significant beyond
- Costs and operating loss begins to reduce with breakeven in FY 30
- No interest as no material debt ex leases and no tax in early years

## Balance Sheet

| £,000, Dec               | 2024a   | 2025e   | 2026e   | 2027e   | 2028e   | 2029e   |
|--------------------------|---------|---------|---------|---------|---------|---------|
| Fixed Asset Cost         | 3,791   | 5,386   | 6,104   | 7,141   | 8,177   | 9,214   |
| Fixed Asset Depreciation | -2,256  | -3,012  | -3,868  | -4,870  | -6,018  | -7,311  |
| Net Fixed Assets         | 1,535   | 2,374   | 2,235   | 2,270   | 2,159   | 1,903   |
| Goodwill                 | 0       | 0       | 0       | 0       | 0       | 0       |
| Other intangibles        | 4,608   | 4,608   | 4,608   | 4,608   | 4,608   | 4,608   |
| Investments              | 0       | 0       | 0       | 0       | 0       | 0       |
| Stock                    | 1,614   | 1,654   | 1,696   | 1,738   | 3,010   | 7,386   |
| Trade Debtors            | 1,476   | 1,513   | 1,551   | 1,589   | 3,010   | 7,386   |
| Other Debtors            | 120     | 120     | 120     | 120     | 120     | 120     |
| Trade Creditors          | -1,275  | -1,307  | -1,340  | -1,857  | -3,010  | -7,386  |
| Other Creditors <1yr     | 0       | 0       | 0       | 0       | 0       | 0       |
| Creditors >1yr           | -1,166  | -1,166  | -998    | -4,030  | -11,004 | -15,032 |
| Provisions               | 0       | 0       | 0       | 0       | 0       | 0       |
| Pension                  | 0       | 0       | 0       | 0       | 0       | 0       |
| Capital Employed         | 6,912   | 7,797   | 7,873   | 4,439   | -1,107  | -1,015  |
| Cash etc                 | 327     | 5,827   | 4,449   | 280     | 906     | 1,538   |
| Borrowing <1yr           | 198     | 0       | 0       | 0       | 0       | 0       |
| Borrowing >1yr           | 626     | 626     | 0       | 0       | 0       | 0       |
| Net Borrowing            | 497     | -5,201  | -4,449  | -280    | -906    | -1,538  |
| Share Capital            | 2,697   | 2,699   | 2,700   | 2,700   | 2,700   | 2,700   |
| Share Premium            | 27,745  | 40,848  | 46,847  | 46,847  | 46,847  | 46,847  |
| Retained Earnings        | -27,742 | -34,265 | -40,941 | -48,543 | -53,463 | -52,740 |
| Other                    | 3,715   | 3,715   | 3,715   | 3,715   | 3,715   | 3,715   |
| Minority interest        | 0       | 0       | 0       | 0       | 0       | 0       |
| Capital Employed         | 6,912   | 7,797   | 7,873   | 4,439   | -1,107  | -1,015  |
| Net Assets               | 6,415   | 12,997  | 12,321  | 4,719   | -201    | 522     |
| Total Equity             | 6,415   | 12,997  | 12,321  | 4,719   | -201    | 522     |

Source: Company data, Longspur Research estimates

## KEY POINTS

- Asset light model means limited fixed assets
- Working capital controlled but will expand with sales from FY 27
- New equity assumed to deliver further growth

## Cashflow

| £,000, Dec              | 2024a  | 2025e  | 2026e  | 2027e  | 2028e  | 2029e  |
|-------------------------|--------|--------|--------|--------|--------|--------|
| Operating profit        | -5,370 | -6,486 | -6,679 | -7,605 | -4,921 | 964    |
| Depreciation            | 532    | 756    | 857    | 1,002  | 1,148  | 1,293  |
| Provisions              | 0      | 0      | 0      | 0      | 0      | 0      |
| Other                   | 203    | 0      | 0      | 0      | 0      | 0      |
| Working capital         | -1,865 | -553   | -215   | 3,469  | 5,435  | -589   |
| Operating cash flow     | -6,500 | -6,283 | -6,038 | -3,134 | 1,662  | 1,668  |
| Tax paid                | 608    | 508    | 0      | 0      | 0      | 0      |
| Capex (less disposals)  | -219   | -1,595 | -718   | -1,037 | -1,037 | -1,037 |
| Investments             | -2,048 | 0      | 0      | 0      | 0      | 0      |
| Net interest            | 87     | -37    | 3      | 3      | 0      | 1      |
| Net dividends           | 0      | 0      | 0      | 0      | 0      | 0      |
| Residual cash flow      | -8,072 | -7,407 | -6,752 | -4,168 | 625    | 632    |
| Equity issued           | 53     | 13,105 | 6,000  | 0      | 0      | 0      |
| Change in net borrowing | 2,228  | -5,698 | 752    | 4,168  | -625   | -632   |
| Adjustments             | 5,791  | 0      | 0      | 0      | 0      | 0      |
| Total financing         | 8,072  | 7,407  | 6,752  | 4,168  | -625   | -632   |

Source: Company data, Longspur Research estimates

## KEY POINTS

- Cash outflow driven by operating cost but begins to drop with sales in FY 27
- Maintenance capex assumed
- Additional equity raise assumed to deliver further growth in FY 26

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