

#### Stock Data

Share Price:	1.38p
Market Cap.:	£28.2m
Shares in issue:	2,045m

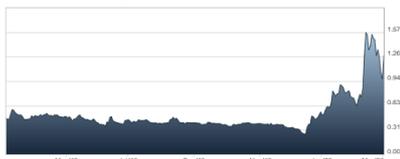
#### Company Profile

Sector:	Alternative Energy
Ticker:	PHE.L
Exchange:	AIM

#### Activities

PowerHouse Energy ('the CompanyGroup', 'PowerHouse' or 'PHE') has developed a proprietary process technology - DMG® - which can utilise waste plastic, end-of-life-tyres, and other waste streams to efficiently and economically convert them into syngas from which valuable products, such as chemical precursors, hydrogen, electricity and other industrial products may be derived. Its technology is one of the world's first proven, modular, hydrogen from waste (HfW) processes.

#### 1 year share price performance



Source: [LSE](#)

**Past performance is not an indication of future performance.**

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## PowerHouse Energy Group plc

**PowerHouse has confirmed that planning permission has been granted to Peel and Waste2Tricity for the first of its planned commercial distributed modular generation ('DMG®') waste-to-energy installations at the Protos Energy Park ('Protos') in Cheshire. This represents the passing of a key milestone for the Company. TPI considers the facility, which is designed to produce low levels of safe residues and requires a small operating footprint, thereby making it suitable for deployment at enterprise and community level, could potentially be commissioned early in 2021E. It is expected to be the first of a total of 11 UK sites to adopt PHE's technology, which is being developed under a collaboration contract with [Peel Environmental](#) ('Peel'), which is part of [Peel L&P](#). PowerHouse will now work alongside its partners to complete funding exercises in order to deliver its first commercial application.**

Pending finalisation of the proposed Waste2Tricity Limited ('W2T') and Waste2Tricity (Protos) Limited acquisition by PowerHouse, a Supplemental Agreement was announced on 11 February 2020 in order to prevent any delays in the development of Protos and four further DMG® sites in the UK which have been identified as the most likely to be developed first. The remaining six sites expected to be developed under the Collaboration Contract remain unaffected by the Supplemental Agreement.

The Supplemental Agreement contains arrangements for the monetisation of the DMG® Technology at Protos, including a £500,000 annual license fee payable to PowerHouse per project upon commissioning. Peel has also agreed to pay PowerHouse £100,000 in historic back costs incurred by the Company in respect of the project. The Agreement furthermore includes provisions for the sharing of the licence fees with W2T in the event that its proposed acquisition by PowerHouse does not complete. In this context, due diligence and negotiations for the acquisition of W2T are proceeding. The convening of a General Meeting to approve the necessary resolutions is expected to be announced as soon as the arrangements are finalised.

Protos sits within the Energy Innovation District ('EID') which brings together energy users, network owners, innovators and partners working alongside Cheshire & Warrington LEP, Cheshire West and Chester Council and the University of Chester. With an objective to drive down the cost of clean energy, the EID is an opportunity to deliver a new decarbonised energy system for the North West, meeting its Clean Growth agenda while boosting economic growth and investment. Cheshire West and Chester planning committee approved the planning application made by Peel and W2T for Plot 10b. The application has been granted with conditions that were anticipated and will be complied with by Peel and its construction team.

**Hydrogen is set to play a major role in the UK's clean growth strategy. DMG® not only offers a more sustainable way to treat plastic waste, but also creates a local source of low carbon transport fuel which will help tackle national air quality issues. Having cemented its relationship with Peel, PowerHouse now expects to see the commercialisation of its pioneering plastic to hydrogen technology at the Protos development before it is rolled-out at other sites across the country. Adoption of its low cost, licence-fee based business model, also leads TPI to believe that PHE could potentially achieve cashflow breakeven or better, based simply on the commissioning of just two Protos-sized projects (each targeting production of, say, 3.8MWe on site and exporting 3.4MWe electricity and up to 2 tonnes of hydrogen/day). Considering the lengthy existing pipeline already negotiated by Peel, together with fees from expected feedstock testing and site-specific engineering design work, PowerHouse appears capable of generating significant returns for shareholders on a 3 to 4-year view.**

*Note to reader: Unless otherwise stated, factual information in this note has been sourced from the Company and public sources, while opinions are those of the author.*

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