

Stock Data

Share Price: 3.15p
Market Cap.: £110.7m
Shares in issue: 3,515m

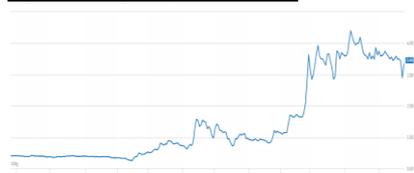
Company Profile

Sector: Alternative Energy
Ticker: PHE
Exchange: AIM

Activities

PowerHouse Energy Group plc ('the Company', '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: [LSF](#)

Past performance is not an indication of future performance.

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PowerHouse Energy Group plc

PowerHouse has confirmed that [Peel L&P Environmental](#) ("Peel"), with which it has an exclusive licensing and partnership arrangement, has now completed on schedule the Engineering Definition phase of the contractors' work for the DMG[®] plant at its 54-acre [Protos site](#) near Ellesmere Port in Cheshire. This represents an important step toward the delivery of the Company's innovative DMG[®] technology to the UK's first commercial operation designed to provide a community-based distributed source of hydrogen, which Peel considers to be the blueprint for a series of similar plastic-to-hydrogen plants throughout the country. Targeting local authorities across the region that seek a long-term and more sustainable solution for the disposal of waste plastic, whilst also creating a local source of low carbon transport fuel which could assist them with meeting their climate change goals, Peel has outlined plans to roll-out as many as 70 more such facilities. PowerHouse meanwhile notes that it is managing its working capital position and existing cash resources are now expected to be sufficient to sustain operations until into early Q4 2020.

Further commercial validation for DMG[®] Technology

The engineering phase has been undertaken for the overall site which is being developed to incorporate the DMG[®] application. It provides detailed project definition drawings along with numerous procurement packages for equipment/components from suppliers that will enable the delivery contractors to price their contracts for constructing the plant and associated on-site facilities and buildings. Providing further technical and commercial validation of the technology from international counterparts, completion of this stage would represent another important step toward the commencement of plant construction, which remains on schedule for the early part of Q4 2020, and will also facilitate Peel in finalising of the project financing.

In compliance with the licensing agreement, PowerHouse can expect to receive payment of the one-off £500,000 exclusivity fee from Peel L&P Environmental for the exclusive rights to develop the DMG[®] plants in the UK to be completed before the finalisation of project financing. With Peel expecting this to be the first of many such DMG[®] plants to be constructed across the UK, each completion will not only generate further engineering services work for PowerHouse at the front end and during construction, but would also provide it with a substantial ongoing royalty income.

Hydrogen – The clean energy of choice

Hydrogen is set to play an important role in UK and international clean growth strategies. PowerHouse's proprietary process technology, 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, the Company 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 UK and, ultimately, internationally. 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 project pipeline already negotiated by Peel, together with fees from expected feedstock testing and site-specific

engineering design work, TPI considers the recent completion of the W2T acquisition could enable the capital-light Company to start generating returns for shareholders within the next two years, during which time it will also commence an international licensing roll-out to selected, well-financed partners based on similarly negotiated exclusivity terms it already has in place for the UK.

Raising further funding to it support ongoing expansion

PowerHouse noted with publication of its financial results to 31 December 2019 on [30 June 2020](#), that it continues to manage its working capital position and that its existing cash resources are now expected to be sufficient until into early Q4 2020. The Company ended the period with a cash balance of £103,580, although the balance sheet has been supported post year-end by both the exercise of warrants (injecting cash of c.£285,000), while also receiving £100,000 from engineering work and expecting income arising from contracts in hand to be of the order of £60,000, related to Protos project work along, of course with the anticipated £500,000 exclusivity payment anticipated from Peel in the near future. The Company goes on to state in today's announcement that it is in discussions regarding the raising of further finance and that it is confident that these will be concluded shortly.

PowerHouse plans to hold the Company's Annual General Meeting in September 2020 by video conference and notification and full details will be issued to shareholders in due course.

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