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INTERIM REPORT  
FOR THE SIX MONTHS ENDED 31 OCTOBER 2015



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“The last six months have seen significant reports of customer satisfaction, meeting and exceeding initial expectations of ITM Power products which we now have operating in the field. This provides a good endorsement for the technology and a positive step for the industry. The success of the launch of the M1 wind hydrogen station in September was supported by all the major fuel cell car manufacturers and is testament of the need for these stations to be deployed to enable the roll out of fuel cell vehicles, which of course is good timing with the further stations ITM Power is deploying this year.”

Prof R Putnam  
Non-Executive Chairman,  
ITM Power plc

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 **ITM POWER**  
Energy Storage | Clean Fuel

**HYDROGEN**  
STATION

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“ITM Power continue to push contracts into final negotiation which demonstrates the demand for our technology. This has been a productive six months for ITM Power with us continuing to develop our technology, infrastructure and order book. This success highlights that ITM Power continues to lead the world wide deployment of PEM electrolysis”

Dr Graham Cooley  
CEO, ITM Power plc

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## ABOUT US

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ITM Power manufactures integrated hydrogen energy solutions which are rapid response and high pressure that meet the requirements for grid balancing, energy storage services, the production of clean fuel for transport, renewable heat and chemicals. ITM Power plc was admitted to the AIM market of the London Stock Exchange in 2004 and is a founder member of the Social Stock Exchange. The Company received £4.9m as a strategic investment from JCB in March 2015. The Company signed a forecourt siting agreement with Shell in September 2015 and a fuel contract with Toyota in October 2015. The Group currently has £9.01m of projects under contract and a further £8.66m in the final stages of negotiation (£17.67m in total).

## CONTACT US

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For further information please visit [www.itm-power.com](http://www.itm-power.com) or contact:

### ITM POWER PLC

Graham Cooley  
**+44 (0)114 244 5111**

### ZEUS CAPITAL

Dan Bate / Andrew Jones / Hugh Kingsmill Moore / Alex Davies  
**+44 (0)20 3829 5000**

### TAVISTOCK COMMUNICATIONS

Simon Hudson / James Collins  
**+44 (0)20 7920 3150**

## PROFILE

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ITM Power (AIM: ITM), the energy storage and clean fuel Company, announces its interim results for the six month period ended 31 October 2015. The Company has recognised a total revenue and grant funding of £3.45m in the period. The Company currently has £9.01m of projects under contract and a further £8.66m of contracts in final stages of negotiation, making a total pipeline of £17.67m (2014; £11.37m), an increase of 55%.

ITM Power is also pleased to announce that the Company has raised £2.14m before expenses, by way of a firm placing with institutional investors for 14,283,722 new ordinary shares, subject to shareholder approval ("the Placing") at an issue price of 15 pence per share ("the Issue Price"). In addition, the Company will offer up to 24,934,135 new ordinary shares (the "Offer Shares") for qualifying shareholders at the Issue Price potentially raising up to a further £3.74m, subject to shareholder approval (the "Open Offer").

Furthermore, the Company has secured irrevocable undertakings from JCB Research, Peter Hargreaves, Graham Cooley and certain other investors to take up their Basic Entitlement under the Open Offer and to apply for Excess Shares under the Excess Application Facility to an aggregate value of £2.86m (see Placing and Open Offer announcement for defined terms).

The total fundraising from the Placing and the Open Offer will be £5m and could rise to £5.88m subject to take up under the Open Offer.

## SUMMARY

### COMMERCIAL PROGRESS



- Strategic siting partnership agreed with Shell to locate three hydrogen refuelling stations on Shell forecourts in the UK
- Launch of ITM Power's first hydrogen refuelling station at the Advanced Manufacturing Park, Rotherham, close to the M1 motorway
- Full planning permission secured on National Physical Laboratory (NPL) and The Centre for Engineering and Manufacturing Excellence (CEME) refuelling sites in London as part of the HyFive project
- Planning applications submitted for four more refuelling station locations
- Delivery of electrolyser to hydrogen refuelling station site at NPL as part of the HyFive project
- Thüga group announce efficiency as high as 77%
- RWE utilise heat recovery to achieve efficiency of 86%
- Partnership agreed with Symbio FCell and Arcola Energy to provide an integrated package of zero emission vehicles, on-site fuel and after sales support for UK fleet operators
- Signed a fuel supply contract with Toyota

### POST PERIOD END



- A further £0.74m (2014: £3.17m) of products under contract secured making a current total of £9.01m (2014: £8.76m) under contract
- A further £3.56m (2014: £2.61m) of contracts in final stages of negotiation
- Raised £5m in working capital, subject to authority at EGM

### KEY FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2015



- Total revenue and grant funding of £3.45m (2014: £1.34m) up 157%, comprising:
  - Revenue – £0.66m (2014: £0.52m), up 27%
  - Grant income – £1.37m (2014: £0.80m), up 71%
  - Grants receivable for Capital Projects – £1.42m (2014: £0.2m), up 610%
- Increase in fixed assets to £3.13m (2014: £1.51m), up 107%
- Loss from operations £3.17m (2014: £3.69m), improved by 14%
- Cash burn\* of £3.98m (2014: £3.09m), increased by 29%
- Cash balance of £2.60m at period end (2014: £6.67m)
- Debtors balances of £5.14m (2014: £1.23m), up 318%
- Debtors balance comprises substantially of balances from the California energy commission, UK government, and the EU joint undertaking

\*Cash burn is a non-statutory measure and is defined underneath the Cash Flow Statement

### CORPORATE DEVELOPMENT



- Bob Pendlebury joined the board as a Non-Executive Director and heads up the Manufacturing and Engineering Committee
- Rachel Smith joined the board as an Executive Director

## CHAIRMAN'S STATEMENT

Prof. Roger Putnam CBE  
Chairman



“Our focus continues to be on large scale plant for Power-to-Gas and hydrogen refuelling and I am pleased to report that ITM Power’s traction in world markets continues to accelerate.”

The efficient use of renewables is a recognised global issue and this underpins the Company strategy and is reflected in the Company’s activities and continued progress during the period under review. Our focus continues to be on large scale plant for Power-to-Gas and Hydrogen Refuelling and I am pleased to report that ITM Power’s traction in world markets continues to accelerate.

In Power-to-Gas applications, we now have third party verification of the efficiency of our units as being as high as 86%, and are consistently tendering for MW-scale projects. We have also announced that an ITM Power electrolyser is now being used as part of a grid balancing pool. We have also been tested as having sub one second response times for our electrolysers which will enable users of an ITM electrolyser to access the best incentive structures available by the Thüga group.

In refuelling applications, we were able to launch our first refuelling station in September which is open to the public, and was supported by Honda, Hyundai, and Toyota. Post period end we have also deployed our first refuelling station in California and also signed a fuel contract with Toyota, under which ITM Power will provide the lowest cost hydrogen for cars in the UK.

### FINANCIALS

Revenue for the first six months of period under review were £0.68m (2014: £0.52m). This reflects the construction to date on the Orkney project which will be completed later in the financial year. The pre-tax loss for the period was £3.17m (2014: £3.69m), the reduction is attributable to the increase in grant income.

Trade debtors have increased to £5.1m. This was also due to increased grant activity with the debtors balance reflecting grant claims yet to be received.

Cash burn has increased by £0.89m mainly due to the timing of costs compared to cash receipts on build projects. Total grant funding accounted for in the period was £1.37m (2014: £0.80m). Cash and short-term deposits at the period end were £2.60m (£6.58m at 30th April 2015 and £6.67m at 31st October 2014). This reflects the outlay that has been required for new build projects. These builds will be completed later in the financial year.

The board is not recommending the payment of a dividend for the period in accordance with our stated policy.

I am pleased to announce that we have entered into a fundraising, constituting a firm placing of £2.14m, subject to shareholder approval and an open offer of up to £3.74m subject to shareholder approval. This funding will be used to support the known pipeline for builds and sales, as well as to help demonstrate a stronger balance sheet to offer the greatest success in new commercial tenders.





*Honda, Toyota and Hyundai support the opening of ITM Power's Wind Hydrogen Fuel Station*

## TEAM

I am delighted to welcome Robert Pendlebury ("Bob") to the board as a Non-Executive Director. Bob was previously Engineering Director at JCB, and now heads up our Manufacturing and Engineering Committee, bringing with him a wealth of experience. I would also like to welcome Rachel Smith to the Board as an Executive Director. Rachel has worked for ITM Power since the Company was set up in 2002. She has held a variety of roles including Research Scientist (2002-2004), Head of Science (2004-2008) and Operations Manager (2008-2013). Most recently, she served as Partnership Funding Manager where her responsibilities included identifying suitable grant projects, liaising with potential partners, developing project concepts and writing bid applications. She is also responsible for grant project management, providing an effective interface between ITM Power and funding bodies and ensuring that staff are supported in delivering high quality outputs.

In order to deliver on our ambition to shape a renewable hydrogen future ITM Power continues to develop an international presence with top quality scientists, engineers, managers and support staff. We continue to carefully evaluate the resources of the Company and as we drive forward with our commercial development phase, we ask a lot of our people. The Board would like to express their appreciation of our staff's hard work and dedication towards executing our strategies and driving the Company forwards.

## OUTLOOK

Our first reference plant in the Power-to-Gas market, in Frankfurt for the Thüga Group, has been in operation for over two years now, with the Thüga Group reporting 'better than expected' results. The demonstration of a full scale installation in operation, and generating vital performance metrics, is creating a great deal of interest from potential partners and customers. The market in Germany and increasingly the UK and USA shows signs of significant growth and, with negotiations ongoing for sales in two new markets, the momentum looks set to increase again in 2016.

In refuelling, ITM Power has now delivered four units, with the first in California currently being commissioned. The collaboration agreement with Shell will lead to the first deployment of a refuelling station on a Shell forecourt, and will continue to improve the infrastructure in the UK, as Toyota and Hyundai increase the deployment of vehicles.

Shareholders should note that we continue to pursue all appropriate opportunities to reinforce our position as a leader in energy storage and clean fuel internationally and to turn that position into increased revenues for the Company as our markets mature. The Board is pleased with the progress made to date and looks forward to an active second half of the year.

28<sup>th</sup> January 2016

## CEO'S REVIEW

Dr Graham Cooley  
Chief Executive Officer



“The Company’s key strategic goal remains that of becoming cash flow positive in the shortest period possible and we have successfully prevented the cost base materially increasing despite revenues rising significantly over the last two years.”

ITM Power has had a successful start to the year, with significant news flow around Power-to-Gas and clean fuel projects. The Company’s key strategic goal remains that of becoming cash flow positive in the shortest period possible and we have successfully prevented the cost base materially increasing despite revenues rising significantly over the last two years.

ITM Power has a rapidly developing pipeline of qualified quotes for its two principal products. These larger scale platforms are becoming the most prevalent source of income and also make up the bulk of enquiries the Company is now receiving.

### PRODUCTS IN BUILD

As of today, the Company has nine products at its Sheffield headquarters either ready to ship, undergoing factory acceptance testing (FAT) or in manufacture, of which one is an HPac 40 and eight are larger scale products. Product cost reduction is being achieved through both manufacturing efficiencies and reduced materials costs.

### POWER-TO-GAS LARGE STACK PLATFORM

The Company launched its new IMW stack module at the Hannover Messe in April 2015. The module consists of three 350kW PEM stacks in a single, compact skid. The response from the market has been very encouraging and ITM Power is actively developing numerous projects with a view to deployment in both refuelling and energy storage applications.

The new stack is a significant strand in ITM Power’s development activity and will extend the Company’s reach to higher capacity applications, such as multi MW Power-to-Gas. The main advantages to the stack module are the ability to fit more electrolysis into a smaller footprint, an important

consideration when addressing multi MW installations, and enabling plant simplification through the use of fewer stacks in products. While developing this larger stack platform, the Company has benefitted from the operational experience of its previous stack platform which has been successfully exposed to very demanding Power-to-Gas applications.

### POWER-TO-GAS IN GERMANY

ITM Power now has two large scale Power-to-Gas plants operational in Germany, one with the Thüga Group and the other with RWE. These are the only Power-to-Gas projects utilising PEM electrolysis deployed in the world and reflects the Company’s focus on one of its target territories. ITM Power is delighted that it has both won these contracts and that they continue to provide valuable field data.

ITM Power is also working closely with technical institutions in Germany where wider energy storage and renewable chemistry projects are underway at pilot scale using the Company’s HPac platform.

German subsidiary, ITM Power GmbH, has now employed its first full time engineer, Jochen Ludwig (Dipl.-Ing TH), to help install, commission and service the Company’s equipment in Germany in addition to supporting business development activities. Jochen will work closely with the existing after sales support team headed by Dr Matt Lees, based in Sheffield.



The size of the German Power-to-Gas market is predicted to be 46GW in 2030 and between 115 to 170GW in 2050 as detailed in the recent EU report *Commercialisation of Energy Storage in Europe* which received contributions from 32 companies and organisations and supported by the European Commission.

### HYDROGEN REFUELLING STATION (HRS) DEPLOYMENT

The nature of HRS projects are that costs, and in particular non-recurring engineering costs, are subsidised through project income that ultimately culminates in ITM Power retaining ownership and operation of completed units. This means that the assets in build will be of value to ITM Power in the future as sales demonstration projects and sources of metrics and information for continually improving the performance of plant.

ITM Power has a total HRS portfolio today of ten, comprising three operational stations, with a further seven stations under development.

ITM Power's Nottingham HRS has been operating now for over three years (deployment announced 20th September 2012) and provides a small 350 bar refueler on the Nottingham University site. ITM Power's first commercial scale (80kg/day) refueler, sited less than two miles from Junction 33 on the M1 at The Advanced Manufacturing Park in Rotherham opened for 350 bar refuelling in September 2015. A launch event was held on 17th September, giving local businesses, fleet managers and potential end-users the chance to visit the station and learn more about ITM Power's electrolysis and refuelling technologies. This station was co-funded by Innovate

UK and will be upgraded to 700 bar refuelling under the OLEV HRS upgrade scheme in spring 2016.

HyFIVE, an EU funded project (with OEM partners BMW, Daimler, Honda, Hyundai and Toyota), is to deploy three 700 bar stations in London. Two sites are now identified with planning applications granted. The first is at the National Physical Laboratory's (NPL) National Measurement Institute, a world leading centre of excellence located in Teddington close to the A316 and A308. Civil works were completed in autumn 2015. The electrolyser unit was delivered in November 2015 and is expected to be commissioned later in 2016, after which the site will open to the public.



RWE Power-to-Gas electrolyser supplied by ITM Power

The second site is at the Centre for Engineering and Manufacturing Excellence (CEME).

CEME is a world-class research, business support, skills and education campus located in East London. The CEME Campus is situated on the A13 in Rainham, close to both Canary Wharf and the M25. The HRS is being built in our Sheffield facility and ground works are planned for February 2016, enabling commissioning over the coming months, with the site opening to the public in 2016. Planning activities continue for the third HyFIVE site to complement the NPL and CEME cluster. All three sites will also benefit from the OLEV HRS upgrade fund, and will provide 'pay at pump' hydrogen refuelling for the first time in the UK.

H2ME, another EU project and launched in June 2015, will deploy a further two HRS in London. ITM Power is working with Shell to deploy these stations on Shell petrol station sites. Locations will be chosen to complement London's existing facilities and will be in line with FCEV OEM vehicle deployment plans. Public opening is planned for summer 2016. The Company would welcome approaches from land owners for a further four stations in London.

## TECHNOLOGY PROGRESS

ITM Power's Development team, focused on lowering product costs, maximising durability and increasing efficiency, has made significant progress. Cost savings have been achieved through standardisation, simplification and in-house processing. Growing evidence of durability has been achieved using the Company's suite of test stands which include over 100 single cell electrolyser tests, 16 commercial scale stack tests and four large scale stack tests. These improvements have been realised in parallel to increasing the hydrogen output of stacks by 50% and highlight the success of ITM Power's development programme.

ITM Power's electrolyser stack materials have surpassed the 30,000 operational hours landmark, with an average degradation rate below two millionths of a volt per hour per cell. This gives a predicted lifetime of over 100,000 hours of high efficiency operation, which equates to a 20 year lifetime at 60% usage or 12 years of continuous operation before materials need to be changed. In addition, internal stack tests have performed over 30,000 rapid response operations (from zero to 100% in less than one second) without any additional degradation.

To allow for the Company's water electrolysers absorbing renewable energy under extreme conditions, tests at 300% of normal operating power have surpassed a 12,000 hours operational mark with a degradation rate below two millionths of a volt per hour.

## MARKETING

The Company's marketing efforts are focused on engagement with multi-national companies which operate within the energy and transport sectors. In addition, ITM Power attends and presents at, increasingly by invitation, many industry specific trade fairs and conferences in the UK, mainland Europe and the United States.

28<sup>th</sup> January 2016





ITM POWER  
Energy Storage | Clean Fuel

HYDROGEN  
FUEL STATION



HYDROGEN PRODUCED  
ON-SITE

HYDROGEN PRODUCED ON-SITE



HYDROGEN  
REFUELLING STATION

EL STATION



## CONSOLIDATED INCOME STATEMENT (UNAUDITED)

RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

	Six months ended 31 Oct 2015 (unaudited)	Six months ended 31 Oct 2014 (unaudited)	Year ended 30 Apr 2015 (audited)
	£'000s	£'000s	£'000s
Revenue	655	521	1,635
Cost of sales	(438)	(160)	(1,045)
<b>Gross Profit</b>	<b>217</b>	<b>361</b>	<b>590</b>
<b>Operating Costs</b>			
– Research and development	(1,066)	(3,581)	(4,322)
– Prototype production and engineering	(2,162)	(148)	(1,141)
– Sales and marketing	(624)	(242)	(719)
– Administration	(905)	(902)	(1,908)
<b>Other operating income</b>			
– Grant income	1,368	823	1,777
<b>Loss from operations</b>	<b>(3,172)</b>	<b>(3,689)</b>	<b>(5,723)</b>
Investment revenues	2	11	12
<b>Loss before tax</b>	<b>(3,170)</b>	<b>(3,678)</b>	<b>(5,711)</b>
Tax	394	93	84
<b>Loss for the period</b>	<b>(2,776)</b>	<b>(3,585)</b>	<b>(5,627)</b>
<b>Other total comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss			
<b>Foreign currency translation differences on foreign operations</b>	<b>(37)</b>	<b>–</b>	<b>116</b>
Net other total comprehensive income	(2,813)	(3,585)	(5,511)
<b>Loss per share</b>			
Basic and diluted	(1.6p)	(2.2p)	(3.4p)
Weighted average number of shares	178,100,996	161,864,536	163,213,408

The loss per ordinary share and diluted loss per share are equal because share options are only included in the calculation of diluted earnings per share if their issue would decrease the net profit per share or increase the net loss per share.

All results presented above are derived from continuing operations.

The loss for the period is equal to the total comprehensive expense for the period.

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

	Called up share capital	Share premium account	Merger reserve	Foreign Exchange reserve	Retained loss	Total Equity
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
At 1 May 2014	8,093	50,703	(1,973)	–	(45,823)	11,000
Loss for the period	–	–	–	–	(3,585)	(3,585)
Other comprehensive income for the period	–	–	–	–	–	–
Total Comprehensive income for the period	–	–	–	–	(3,585)	(3,585)
Issue of share capital	–	–	–	–	–	–
Credit to equity for equity settled share based payments	–	–	–	–	8	8
<b>At 30 April 2015 (unaudited)</b>	<b>8,093</b>	<b>50,703</b>	<b>(1,973)</b>	<b>–</b>	<b>(49,400)</b>	<b>7,423</b>
At 1 May 2015	8,905	54,738	(1,973)	116	(51,442)	10,344
Loss for the period	–	–	–	–	(2,776)	(2,776)
Other comprehensive income for the period	–	–	–	(37)	–	–
Total Comprehensive income for the period	–	–	–	(37)	(2,776)	(2,813)
Issue of share capital	–	–	–	–	–	(57)
Credit to equity for equity settled share based payments	–	–	–	–	–	(57)
<b>At 31 Oct 2015 (unaudited)/ 31 Oct 2014 (unaudited)</b>	<b>8,905</b>	<b>54,738</b>	<b>(1,973)</b>	<b>79</b>	<b>(54,218)</b>	<b>7,531</b>

The accompanying notes form part of these financial statements.



## CONSOLIDATED BALANCE SHEET (UNAUDITED)

AS AT 31 OCTOBER 2015

	Note	As at 31 Oct 2015 (unaudited)	As at 31 Oct 2014 (unaudited)	As at 30 April 2015 (audited)
		£'000s	£'000s	£'000s
<b>Non Current Assets</b>				
Property, plant and equipment		3,126	1,511	2,546
<b>Current Assets</b>				
Inventories		1,572	937	512
Trade and other receivables		5,137	1,229	4,113
Cash and cash equivalents		2,597	6,674	6,576
<b>Total Current Assets</b>		<b>9,306</b>	<b>8,840</b>	<b>11,201</b>
<b>Current Liabilities</b>				
Trade and other payables		(4,859)	(2,840)	(3,295)
Provisions		(42)	(88)	(108)
<b>Total Current Assets</b>		<b>(4,901)</b>	<b>(2,928)</b>	<b>(3,403)</b>
<b>Net Current Assets</b>		<b>4,405</b>	<b>5,912</b>	<b>7,798</b>
<b>Net Assets</b>		<b>7,531</b>	<b>7,423</b>	<b>10,344</b>
<b>Equity</b>				
Called up share capital	3	8,905	8,093	8,905
Share premium account		54,738	50,703	54,738
Merger reserve		(1,973)	(1,973)	(1,973)
Foreign Exchange Reserve		79	–	116
Retained loss		(54,218)	(49,400)	(51,442)
<b>Total Equity</b>		<b>7,531</b>	<b>7,423</b>	<b>10,344</b>

The accompanying notes form part of these financial statements.

## CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

RESULTS FOR THE SIX MONTHS ENDED 31 OCTOBER 2015

	Six months ended 31 Oct 2015 (unaudited)	Six months ended 31 Oct 2014 (unaudited)	Year ended 30 Apr 2015 (audited)
	£'000s	£'000s	£'000s
Loss from operations	(3,172)	(3,689)	(5,723)
<b>Adjustments</b>			
Depreciation of property, plant and equipment	264	314	592
Loss on disposal	–	–	87
Share-based payment expense	–	8	8
Operating cash flows before movements in working capital	(2,908)	(3,367)	(5,036)
(Increase)/decrease in inventories	(1,060)	(175)	250
(Increase) in receivables	(629)	(123)	(3,008)
Increase in payables	1,564	656	1,111
(Decrease) in provisions	(66)	(214)	(194)
Cash used in operations	(3,100)	(3,223)	(6,877)
Income taxes received	–	193	193
<b>Net cash used in operating activities</b>	<b>(3,100)</b>	<b>(3,030)</b>	<b>(6,684)</b>
<b>Investing activities</b>			
Interest received	2	11	12
Purchases of property, plant and equipment	(844)	(70)	(1,470)
<b>Net cash (used in) investing activities</b>	<b>(842)</b>	<b>(59)</b>	<b>(1,458)</b>
<b>Financing activities</b>			
Proceeds from issue of shares	–	–	4,847
<b>Net cash from financing activities</b>	<b>–</b>	<b>–</b>	<b>4,847</b>
<b>(Decrease) in cash and cash equivalents</b>	<b>(3,941)</b>	<b>(3,089)</b>	<b>(3,295)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>6,576</b>	<b>9,763</b>	<b>9,763</b>
<b>Effect of foreign exchange rate changes</b>	<b>38</b>	<b>–</b>	<b>108</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2,597</b>	<b>6,674</b>	<b>6,576</b>

The accompanying notes form part of these financial statements.

## CASH BURN

CASH BURN IS A MEASURE USED BY KEY MANAGEMENT PERSONNEL TO MONITOR THE PERFORMANCE OF THE BUSINESS

	As at 31 October 2015 (unaudited)	As at 31 October 2014 (unaudited)	As at 30 April 2015 (audited)
	£'000s	£'000s	£'000s
(Decrease) in Cash and Cash equivalents per the cash flow statement	(3,941)	(3,089)	(3,295)
Effect of foreign exchange rates	38	–	108
Less share issue proceeds	–	–	(4,847)
<b>Cash burn</b>	<b>(3,903)</b>	<b>(3,089)</b>	<b>(8,034)</b>

### 1. BASIS OF PREPARATION OF INTERIM FIGURES

The interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted for use in the EU. While the financial information included in this interim announcement has been compiled in accordance with the recognition and measurement principles of IFRSs, this announcement does not itself contain sufficient information to comply with IFRSs. This interim financial information does not constitute statutory financial statements within the meaning of section 435 of the Companies Act 2006. The financial information for the six months ended 31st October 2015 and 31st October 2014 have been subject to an interim review in accordance with ISRE2410 by the company's auditors.

The information relating to the year ended 30 April 2015 has been extracted from the Group's published financial statements for that year, which contain an unqualified audit report, does not draw attention to any matters of emphasis, and did not contain statements under section 498(2) and 498(3) of the Companies Act 2006 and which have been filed with the Registrar of Companies.

The group's condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The principle accounting policies adopted by the group are as applied in the Group's latest annual audited financial statements.

The financial statements have been prepared on the historical cost basis. The principle accounting policies adopted by the Group are as applied in the Group's latest audited financial statements.

#### GOING CONCERN

The directors announced today that the Company has raised £2.14m before expenses, by way of a firm placing with institutional investors for 14,283,722 new ordinary shares, subject to shareholder approval ("the Placing") at an issue price of 15 pence per share ("the Issue Price"). In addition, the Company will offer up to 24,934,135 new ordinary shares

(the "Offer Shares") for qualifying shareholders at the Issue Price potentially raising up to a further £3.74m, subject to shareholder approval (the "Open Offer"). Whilst the passing of this resolution represents an uncertainty, the Directors are confident of a successful outcome on the basis of the binding commitments that have been provided by a number of key shareholders.

Furthermore, the Company has secured irrevocable undertakings from JCB Research, Peter Hargreaves, Graham Cooley and certain other investors to take up their Basic Entitlement under the Open Offer and to apply for Excess Shares under the Excess Application Facility to an aggregate value of £2.86m (see Placing and Open Offer announcement for defined terms).

The total fundraising from the Placing and the Open Offer will amount to £5.00m and could rise to £5.88m subject to take up under the Open Offer.

The directors have prepared a cash flow forecast (the "Forecast") for the period to 31 January 2017 (the "Forecast Period"). The Forecast includes £4.6m net proceeds from the equity fund raise together with a number of assumptions, including the level of projected sales and grant income, the timing of which is inherently uncertain.

Whilst the directors anticipate that the additional financing for working capital may be required in order to take advantage of the various opportunities which it is actively pursuing, based on the above, the Directors have a reasonable expectation that the Company and Group can continue to meet their liabilities as they fall due, for a period of not less than twelve months from the date of approval of this condensed set of financial statements.

Accordingly, the financial statements have been prepared on a going concern basis.

## 2. REVENUE, OTHER OPERATING INCOME AND INVESTMENT INCOME

Included in revenue are the following amounts, which each accounted for more than 10% of total revenue:

- Customer A £552,000

	2015	2014
	£'000s	£'000s
<b>Continuing operations</b>		
Revenue from construction contracts	579	483
Consulting services	23	21
Maintenance services	27	16
Other	26	1
<b>Revenue in the Consolidated Income Statement</b>	<b>655</b>	<b>521</b>
Grant income	1,368	823
Investment income	2	11
	<b>2,025</b>	<b>1,355</b>
<b>Revenues from major products and services</b>		
Electrolyser platform sales	606	499
Consultancy	23	21
Other	26	1
<b>Consolidated revenue (excluding investment revenue)</b>	<b>655</b>	<b>521</b>
<b>Geographic analysis of revenue</b>		
United Kingdom	600	158
Rest of Europe	55	16
North America	–	347
<b>Consolidated revenue (excluding investment revenue)</b>	<b>655</b>	<b>521</b>

## 3. CALLED UP SHARE CAPITAL

	As at 31 October 2015 (unaudited)	As at 31 October 2014 (unaudited)	As at 30 April 2015 (audited)
	£'000s	£'000s	£'000s
<b>Called up, allotted and fully paid</b>			
178,100,996 ordinary shares of 5p each (Oct 2014: 161,864,536 Apr 2014: 178,100,996)	8,905	8,093	8,905

## INDEPENDENT REVIEW REPORT TO ITM POWER PLC

### Deloitte LLP

Chartered Accountants  
and Statutory Auditor  
Leeds, UK  
28th January 2016

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31st October 2015 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes 1 to 3. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

### DIRECTORS' RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

### OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 October 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules of the London Stock Exchange.



## ITM POWER – REGULATORY NEWS ANNOUNCEMENTS 2015–2016

2015	Date	Time	
Appointment of Non-Executive Director	05 Jun 15	07:00 am	RNS
Trading and Operations Update	09 Jun 15	07:00 am	RNS
Final Results	31 Jul 15	07:00 am	RNS
Notice of AGM	18 Aug 15	16:16 pm	RNS
RWE Launches Power-to-Gas Energy Storage System	18 Aug 15	07:28 am	RNSR
Thüga Plant Enters the Balancing Market in Germany	20 Aug 15	11:00 am	RNSR
Forecourt Siting Partnership	10 Sep 15	12:23 pm	RNS
Appointment of Director	10 Sep 15	10:06 am	RNS
Result of AGM	16 Sep 15	14:26 pm	RNS
Solar Hydrogen Station with CEME on A13 London	17 Sep 15	10:55 am	RNSR
Launch of the M1 Hydrogen Refuelling Station	17 Sep 15	07:00 am	RNS
Hydrogen Mobility Europe Launch with E32m Funding	24 Sep 15	08:00 am	RNSR
Agreement with Symbio FCell and Arcola Energy	01 Oct 15	07:00 am	RNSR
Toyota to Deliver Fleet of Mirai FCEVs to London	13 Oct 15	09:16 am	RNSR
Toyota Fuel Contract and Delivery of FCEV	19 Oct 15	14:37 pm	RNS
HFS Planning Permission at CEME	24 Nov 15	07:00 am	RNSR
PHAEDRUS: Advanced Refuelling Project	27 Nov 15	07:00 am	RNSR
Agreement with Ove Arup & Partners	07 Dec 15	07:00 am	RNSR
Enhanced Grid Balancing Services	23 Dec 15	07:00 am	RNSR
2016	Date	Time	
Exercise of options	11 Jan 16	07:00 am	RNS
CEME and ITM Power to develop a hydrogen hub	12 Jan 16	07:00 am	RNSR
Second Price Monitoring Extn	21 Jan 16	16:40 pm	RNS

● RNS

● RNS Reach

● Submitted by third party (by the LSE)



ITM Power plc  
22 Atlas Way  
Sheffield  
S4 7QQ

T: +44 (0) 114 244 5111  
W: [www.itm-power.com](http://www.itm-power.com)