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13 June 2025

AFC Energy plc
("AFC Energy" or the "Company")

Operational Update
Agreement Signed for Supply of Fuel Cell Systems
and
Strategic Partnership with Volex plc

AFC Energy (AIM: AFC), a leading provider of hydrogen power generation technologies, provides an update on progress on cost optimisation initiatives for its 30kW hydrogen fuel cell generator:

Highlights:

- Cost reduction of c.85% from current build cost, achieved through adoption of low cost stack technology and value engineering exercise.
- Supply agreement signed for future supply of fuel cell systems to support demand.
- Plans well progressed for volume manufacturing, with intention to enter into global strategic partnership with Volex Plc, a leading global integrated manufacturing specialist, to support AFC volume growth plans.

Following the signing of a supply agreement for custom fuel cell systems, in conjunction with an extensive value engineering exercise, AFC Energy has reduced the build cost of its 30kW hydrogen fuel cell generators by c.85%. This exceeds the Company's target for substantial generator cost reductions and helps to drive adoption of our technology to displace diesel, together with our hydrogen production capability, at cost parity.

AFC Energy and Volex Plc are working together with the intention to enter into a global strategic manufacturing partnership to support AFC Energy in driving cost down further through materials leverage and economies of scale.

John Wilson, CEO of AFC Energy plc commented:

"As previously announced, our strategy is to deliver commercial viability of the hydrogen economy, without reliance on Government subsidy. In April, alongside our results, we announced an aggressive plan to target a significant reduction of the cost of our 30kW hydrogen fuel cell generators to drive market adoption. I'm delighted that this ambition has been fulfilled, with an expected c.85% reduction, and we target mid-2026 for delivery of our first low cost generators. We are grateful for the support of Volex Plc to date and look forward to developing our strategic partnership."

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About AFC Energy

AFC Energy plc is a leading provider of hydrogen energy solutions, to provide clean electricity for on and off grid power applications. The Company's fuel cell technology is now deployable as electric vehicle chargers, off-grid decentralised power systems for construction and temporary power with emerging opportunities across maritime, data centres and rail as part of a portfolio approach to the decarbonisation of society's growing electrification needs.

The Company's proprietary ammonia cracking technology further highlights emerging opportunities across the distributed hydrogen production market with a focus on hydrogen's role in supporting industries facing challenges in decarbonisation, such as mining, cement and heavy engineering.

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