

4 July 2025

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

New Joint Venture with Industrial Chemicals Group to Produce Hydrogen from Ammonia

AFC Energy plc (AIM: AFC) ("AFC Energy"), a leading provider of hydrogen powered generator technologies, and Industrial Chemicals Group Limited ("ICL"), one of the UK's largest independent chemical manufacturing and distribution companies, are pleased to announce their agreement to form a joint venture ("JV") to produce hydrogen from ammonia.

Highlights:

- 50:50 JV to produce hydrogen using AFC Energy's proprietary, leading ammonia cracking technology.
- JV to produce and sell hydrogen at a price to disrupt the UK market, without reliance on Government subsidies.
- JV to leverage ICL's ammonia procurement, logistics capabilities and customer base and AFC Energy's proprietary, leading cracking technology.
- Initial revenues expected in early 2026, subject to permitting, generating up to 400kg/day of hydrogen, followed by incremental capacity through AFC Energy's Hy-5 portable, containerised ammonia crackers capable of generating up to 500kg/day.

AFC Energy and ICL have agreed terms to incorporate the JV, with further detailed terms to be agreed between the parties. Once established, the JV will initially acquire AFC Energy's pilot ammonia cracking plant and hydrogen compression system in Q4 2025 (subject to permitting requirements) with initial revenues expected in early 2026. This will be followed by the sale of Hy-5 units to the JV once productionised.

Utilisation of low-cost ammonia and cracking it, will provide the JV's customers with access to low cost and low carbon hydrogen without the need for large-scale domestic hydrogen production facilities. Ammonia is a globally established commodity, with existing infrastructure for storage and transport, making it a cost-effective hydrogen carrier. This approach reduces the upfront investment required for hydrogen infrastructure but also supports the UK's net-zero goals by enabling a flexible and economically viable hydrogen supply chain.

John Wilson, Chief Executive of AFC Energy, said:

"The establishment of the JV with ICL is an exciting step in delivering our strategy to deliver commercial viability of the hydrogen economy, without reliance on Government subsidies. We have been working with ICL for some time to develop the JV and are delighted to collaborate with a partner of ICL's capability and experience to deliver low-cost hydrogen at a market disruptive price. In anticipation of regular imports of green ammonia becoming widely available in the UK from 2027, the JV is well positioned to take advantage of the relative ease with which ammonia can be stored in low-cost and low pressure liquified gas tanks compared to high capital costs in storing hydrogen and further benefit from significant cost advantages versus UK production from electrolysis."

For further information, please contact:

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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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