

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser. The Company accepts responsibility for the information contained in this document. To the best of the knowledge of the Company (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The whole of this document should be read.

If you have sold or transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the United Kingdom (including the United States or any other Restricted Jurisdiction) if to do so would constitute a violation of the relevant law and/or regulations of such jurisdiction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document does not constitute an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for) Ordinary Shares. This document does not contain an offer of transferrable securities within the meaning of section 102B of FSMA and does not constitute a prospectus within the meaning of section 85 of FSMA. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA, the London Stock Exchange or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

AFC ENERGY PLC

(incorporated and registered in England and Wales with registered number 05668788)

Proposed Placing of 91,279,000 Placing Shares at 15 pence per Placing Share

Proposed Subscription of 666,666 Subscription Shares at 15 pence per Subscription Share

Proposed REX Retail Offer of up to 13,333,333 REX Retail Offer Shares at 15 pence per REX Retail Offer Share

and

Notice of General Meeting

Application has been made for the Firm Fundraising Shares being issued pursuant to the Firm Fundraising to be admitted to trading on AIM, with dealings expected to commence on 13 June 2024. In due course application is expected to be made for the Conditional Fundraising Shares expected to be issued pursuant to the Conditional Fundraising to be admitted to trading on AIM and, on the assumption that, *inter alia*, the Fundraising Resolutions are passed, dealings in Conditional Fundraising Shares are expected to commence on 1 July 2024. Each of the Fundraising Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or after the date on which they

are used or transferred (as appropriate). AIM-traded securities are not admitted to the Official List of the UK Financial Conduct Authority. Neither the London Stock Exchange nor the UK Financial Conduct Authority has examined or approved the contents of this document.

You are recommended to read the whole of this document but your attention is drawn to the letter from the Chairman of the Company, which is set out on pages 12 to 18 of this document and which provides details of the Fundraising and recommends you to vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting of AFC Energy plc to be held at the offices of Peel Hunt LLP, 7th Floor, 100 Liverpool Street, London EC2M 2AT at 11.00 a.m. on 28 June 2024 is set out at the end of this document. The accompanying Form of Proxy for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by Computershare Investor Services plc by no later than 11.00 a.m. on 26 June 2024 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish. Shareholders can also vote online by visiting www.investorcentre.co.uk/eproxy. To access the service, Shareholders will need the Control Number, their Shareholder Reference Number (SRN) and Personal Identification Number (PIN). These are shown on the Form of Proxy or the email notification of this document (for Shareholders with whom the Company communicates electronically).

Peel Hunt and Zeus are each authorised and regulated in the United Kingdom by the Financial Conduct Authority. Each of Peel Hunt and Zeus is acting for the Company and for no one else in connection with the matters described in this document. Neither of Peel Hunt or Zeus will regard any other person as its client in relation to the Fundraising, the content of this document or any other matters described in this document and will not be responsible to anyone (including any investors procured by Peel Hunt or Zeus to subscribe for Placing Shares) other than the Company for providing the protections afforded to its clients, or for providing advice to any other person in relation to the arrangements described in this document. The responsibility of Peel Hunt, as the Company's nominated adviser, is owed solely to the London Stock Exchange and is not owed to the Company or the Directors or any other person.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt and/or Zeus by the FSMA or the regulatory regime established thereunder or the AIM Rules, Peel Hunt and Zeus do not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the New Ordinary Shares, the Fundraise or Admission. Peel Hunt and Zeus accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement. However, nothing in this document shall be effective to limit or exclude liability for fraud or which cannot otherwise, by law or regulation, be so limited or excluded.

The release, publication or distribution of this document into certain jurisdictions may be restricted by law, and any persons into whose possession this document comes should therefore inform themselves about and observe any applicable restrictions or requirements. No action has been taken by the Company or the Joint Bookrunners that would permit possession or distribution of this document in any jurisdiction where action for that purpose is required. Any failure to comply with any such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

The New Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the New Ordinary Shares are being offered in reliance on Regulation S under the U.S. Securities Act. The New Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, Canada, the Republic of South Africa or Japan, nor has any prospectus in relation to the New Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance or any securities commission or

other regulatory body in Canada or the Republic of South Africa. Accordingly, subject to certain exemptions, the New Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a “Restricted Jurisdiction”) or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction. The New Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US.

This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of, issue or purchase, any security (including, without limitation, the Fundraising Shares). Copies of this document can be downloaded from the Company’s website, www.afcenergy.com. However, the contents of the Company’s website or any hyperlinks accessible from the Company’s website do not form part of this document and Shareholders should not rely on them.

This document includes statements that are, or may be deemed to be, forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “expects”, “intends”, “hopes”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places through this document and include statements regarding the Directors’ intentions, beliefs or current expectations concerning, amongst other things, the Company’s results of operations, financial condition, liquidity, prospects, growth and strategies. By their nature, forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the AIM Rules or other applicable legislation or regulation, neither the Company nor the Joint Bookrunners undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this document. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in expectations and assumptions used and changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Nothing in this document shall be effective to limit or exclude any liability for fraud or which otherwise, by law or regulation, cannot be so limited or excluded.

This document is dated 12 June 2024.

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DIRECTORS AND ADVISERS

Directors	Gary Bullard Adam Bond Peter Dixon-Clarke Monika Biddulph Gerry Agnew Duncan Neale	<i>Non-Executive Chairperson</i> <i>Chief Executive Officer</i> <i>Chief Financial Officer</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i> <i>Non-Executive Director</i>
Company Secretary	Brendan Keane	
Registered Office	Unit 71.4 Dunsfold Park Cranleigh Surrey GU6 8TB	
Nominated Adviser	Peel Hunt LLP 7th Floor 100 Liverpool Street London EC2M 2AT	
Joint Bookrunners	Peel Hunt LLP 7th Floor 100 Liverpool Street London EC2M 2AT Zeus Capital Limited 82 King Street Manchester M2 4WQ	
Solicitors to the Company	RBG Legal Services Limited t/a Memery Crystal 165 Fleet Street London EC4A 2DY	
Solicitors to the Nominated Adviser and Joint Brokers	Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS	
Registrar	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE	

FUNDRAISING STATISTICS

Number of Existing Ordinary Shares	747,478,807
Issue Price	15 pence
Number of Firm Placing Shares	74,074,964
Number of Subscription Shares	666,666
Aggregate number of Firm Fundraising Shares	74,741,630
Number of Ordinary Shares in issue immediately following First Admission	822,220,437
Percentage of the enlarged issued share capital of the Company represented by the Firm Fundraising Shares immediately following First Admission	9.09 per cent.
Number of Conditional Placing Shares	17,204,036
Aggregate maximum number of Conditional Fundraising Shares	30,537,369
Aggregate maximum number of Fundraising Shares	105,278,999
Enlarged Issued Share Capital immediately following Second Admission	852,757,806
Maximum percentage of Enlarged Issued Share Capital represented by the maximum number of Fundraising Shares following Second Admission	12.35 per cent.
Gross proceeds of the Placing	£13.7 million
Gross proceeds of the Subscription	£100,000
Maximum gross proceeds of the REX Retail Offer	£2 million
Aggregate maximum gross proceeds of the Fundraising	approximately £15.8 million
Aggregate maximum estimated net proceeds of the Fundraising	approximately £14.9 million
Ordinary Share ISIN	GB00B18S7B29

The statistics above assume (a) the passing of the Fundraising Resolutions at the General Meeting and therefore Admission of all Fundraising Shares pursuant to the Fundraising; (b) that the maximum number of Conditional REX Retail Offer Shares are subscribed for; and (c) that no Ordinary Shares other than the Fundraising Shares are allotted prior to First Admission or Second Admission (as applicable).

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	2024
Publication and posting of this document and Form of Proxy	12 June
First Admission and dealings in the Firm Fundraising Shares to commence on AIM	8.00 a.m. on 13 June
Expected date for CREST accounts to be credited in respect of the Firm Fundraising Shares	13 June
Despatch of definitive share certificates in respect of Firm Fundraising Shares to be held in certificated form, if applicable	by 20 June
Long Stop Date for First Admission	8.00 a.m. on 26 June
Latest time and date for receipt of Forms of Proxy	11.00 a.m. on 26 June
General Meeting	11.00 a.m. on 28 June
Announcement of the results of the General Meeting	28 June
Second Admission and dealings in the Conditional Fundraising Shares to commence on AIM	1 July
Expected date for CREST accounts to be credited in respect of the Conditional Fundraising Shares	1 July
Despatch of definitive share certificates in respect of Conditional Fundraising Shares to be held in certificated form, if applicable	by 8 July
Long Stop Date for Second Admission	8:00 a.m. on 17 July

Notes

1. Each of the times and dates above are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
2. All of the above times refer to London time unless otherwise stated.
3. All events listed in the above timetable in relation to the Conditional Fundraising are conditional, inter alia, on the passing at the General Meeting of the Fundraising Resolutions and Second Admission.

DEFINITIONS

“2024 AGM”	the Annual General Meeting of the Company held on 25 April 2024
“Admission”	admission of New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time
“Business Day”	any day on which banks are usually open for business in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
“Company” or “AFC”	AFC Energy plc, a company incorporated in England and Wales under the Companies Act 1985 with registered number 05668788
“Conditional Fundraising”	together, the Conditional Placing and the REX Retail Offer
“Conditional Fundraising Shares”	together, the Conditional Placing Shares and the REX Retail Offer Shares
“Conditional Placing”	the conditional placing by the Joint Bookrunners (on behalf of the Company) of the Conditional Placing Shares at the Issue Price subject to, inter alia, the passing of the Fundraising Resolutions and Second Admission
“Conditional Placing Shares”	17,204,036 New Ordinary Shares expected to be allotted and issued pursuant to the Conditional Placing
“CREST” or “CREST system”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI2001/3755)
“Directors” or “Board”	the directors of the Company
“Enlarged Issued Share Capital”	the total number of Ordinary Shares which shall be in issue immediately following Second Admission assuming that the maximum number of Fundraising Shares capable of being issued pursuant to the Fundraising is so issued
“Euroclear”	Euroclear UK & International Limited, the operator of CREST
“Existing Ordinary Shares”	the 747,478,807 Ordinary Shares in issue at the date of this document
“FCA”	the UK Financial Conduct Authority
“Firm Fundraising”	together, the Firm Placing and the Subscription

“Firm Fundraising Shares”	together, the Firm Placing Shares and the Subscription Shares
“Firm Placing”	the placing by the Joint Bookrunners (on behalf of the Company) of the Firm Placing Shares at the Issue Price subject to, inter alia, First Admission
“Firm Placing Shares”	74,074,964 New Ordinary Shares to be allotted and issued pursuant to the Firm Placing
“First Admission”	Admission of the Firm Fundraising Shares
“Form of Proxy”	the form of proxy for use in connection with the General Meeting which accompanies this document
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Fundraising”	together, the proposed Placing, Subscription and REX Retail Offer
“Fundraising Resolutions”	Resolutions 1 and 3 as set out in the Notice of General Meeting
“Fundraising Shares”	together, the Firm Fundraising Shares and the Conditional Fundraising Shares
“General Meeting”	the general meeting of the Company convened for 11.00 a.m. on 28 June 2024 (or any adjournment thereof) at which the Resolutions will be proposed, notice of which is set out at the end of the this document
“Group”	the Company and its subsidiary undertakings from time to time
“Intermediaries”	any financial intermediary appointed by the Company in connection with the REX Retail Offer and “Intermediary” shall mean any one of them
“Intermediary Agreements”	the agreements in the agreed form entered between each of the Intermediaries, the Company and Peel Hunt containing terms and conditions in relation to the REX Retail Offer
“Issue Price”	15 pence per Fundraising Share
“Joint Bookrunners”	together, Peel Hunt and Zeus
“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the new Ordinary Shares to be issued pursuant to the Fundraising
“Notice of General Meeting”	the notice of General Meeting at the back of this document
“Ordinary Shares”	ordinary shares of 0.1 pence each in the capital of the Company
“Peel Hunt”	Peel Hunt LLP, nominated adviser to the Company and joint

	bookrunner to the Company in respect of the Placing
“Placing”	together, the Firm Placing and the Conditional Placing by the Joint Bookrunners on behalf of the Company at the Issue Price pursuant to the terms of the Placing Agreement
“Placing Agreement”	the agreement dated 10 June 2024 between the Company and the Joint Bookrunners relating to the Placing
“Placing Shares”	together, the Firm Placing Shares and the Conditional Placing Shares
"Registrar" or “Computershare”	Computershare Investor Services PLC, with its registered office at The Pavilions, Bridgwater Road, Bristol, BS13 8AE
“Regulatory Information Service”	one of the regulatory information services authorised by the FCA acting in its capacity as the UK listing authority to receive, process and disseminate regulatory information
“REX Platform”	Peel Hunt’s Retail Capital Markets platform
“REX Retail Offer”	the proposed offer of REX Retail Offer Shares to existing retail Shareholders by the Company through Intermediaries using the REX Platform and on the basis of the terms and conditions set out in the REX Retail Offer Announcement and Intermediaries Agreements
“REX Retail Offer Announcement”	the announcement dated 10 June 2024 giving details, <i>inter alia</i> , of the REX Retail Offer
“REX Retail Offer Shares”	up to 13,333,333 new Ordinary Shares to be allotted and issued pursuant to the Conditional REX Retail Offer
“Resolutions”	the resolutions to be proposed at the General Meeting and set out in the Notice of General Meeting
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for the Company if information or documentation concerning the proposals set out in this document is sent or made available to Shareholders in that jurisdiction including, without limitation, the United States of America, Canada, Australia, Japan, Russia and the Republic of South Africa
“Second Admission”	Admission of the Conditional Placing Shares and the REX Retail Offer Shares
“Shareholders”	the holders of Ordinary Shares at the relevant time (as the context requires)
“Subscription”	subscription for the Subscription Shares by certain Directors
“Subscription Shares”	the 666,666 New Ordinary Shares proposed to be issued pursuant to the Subscription
"uncertificated" or "in uncertificated form"	recorded on the relevant register of Ordinary Shares as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by

	means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other area subject to its jurisdiction
“Zeus”	Zeus Capital Limited, joint bookrunner to the Company in respect of the Placing
“£”, “pounds sterling”, “pence” or “p”	are references to the lawful currency of the United Kingdom

LETTER FROM THE CHAIRMAN
of
AFC ENERGY PLC

(Incorporated and registered in England and Wales with registered number 05668788)

Directors:

Gary Bullard *(Non-Executive Chairman)*
Adam Bond *(Chief Executive Officer)*
Peter Dixon-Clarke *(Chief Financial Officer)*
Dr Monika Bidduph *(Non-Executive Director)*
Gerry Agnew *(Non-Executive Director)*
Duncan Neale *(Non-Executive Director)*

Registered Office:

Unit 71. 4 Dunsfold Park
Cranleigh
Surrey
GU6 8TB

12 June 2024

To the holders of the Ordinary Shares

Dear Shareholder

Proposed Placing of 91,279,000 Placing Shares at 15 pence per Placing Share
Proposed Subscription of 666,666 Subscription Shares at 15 pence per Subscription Share
Proposed REX Retail Offer of up to 13,333,333 REX Retail Offer Shares at 15 pence per REX Retail Offer Share
and
Notice of General Meeting

1. Introduction and summary

AFC Energy plc, a leading provider of hydrogen power generation technologies, announced on 10 June 2024 a fundraising which has raised, in aggregate, gross proceeds of approximately £13.8 million (before expenses). The Fundraising includes a Firm Placing of 74,074,964 Firm Placing Shares and a Conditional Placing 17,204,036 Conditional Placing Shares at the Issue Price of 15 pence per Ordinary Share to institutional and other investors, raising gross proceeds of approximately £13.7 million (before expenses). Certain Directors have also agreed to participate by way of the Subscription for 666,666 Subscription Shares at the Issue Price, raising gross proceeds of £0.1 million (before expenses).

In addition to the Placing and the Subscription, on 10 June 2024 the Company announced a separate conditional REX Retail Offer of up to 13,333,333 REX Retail Offer Shares at the Issue Price to existing Shareholders via the REX Platform to raise further proceeds of up to £2 million (before expenses).

The Issue Price represents a discount of approximately 26.8 per cent. to the closing mid-price per Ordinary Share on 7 June 2024, being the last practicable date prior to the date of the announcement of the Fundraising.

The Fundraising is being conducted in two tranches. 74,741,630 Firm Fundraising Shares will be allotted and issued pursuant to the Firm Placing and Subscription and are expected to be admitted to trading on AIM on or around 13 June 2024, raising gross proceeds of approximately £11.2 million for

the Company (before expenses). 17,204,036 Conditional Placing Shares and the REX Retail Offer Shares (if any) will be allotted and issued pursuant to the Conditional Fundraising and, subject to, inter alia, the passing of the Fundraising Resolutions and Second Admission are expected to be admitted to trading on AIM on or around 1 July 2024, raising gross proceeds of up to approximately £2.6 million for the Company (before expenses).

First Admission and Second Admission are conditional, inter alia, upon the Placing Agreement not having been terminated and becoming unconditional. Second Admission is also conditional, inter alia, upon the passing of the Fundraising Resolutions by Shareholders at the General Meeting to be held at 11.00 a.m. on 28 June 2024.

This document contains the Directors' unanimous recommendation that Shareholders vote in favour of the Resolutions. The Notice of General Meeting, at which the Resolutions will be proposed, is set out at the end of this document. A Form of Proxy is also enclosed with this document for use at the General Meeting.

The purpose of this document is to provide you with information about the background to and the reasons for the Fundraising, to explain why the Board considers the Fundraising to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

2. Background to and reasons for the Fundraising

AFC Energy is in a growth phase and looking to advance delivery across its two core business streams: Fuel Cells & Fuel Processing.

In the Fuel Cell segment, AFC Energy is at an inflection point where it is working with customers and partners to deploy its newly released 30kW H-Power S Series fuel cell generator into the market with the aim of displacing diesel generators. AFC Energy has developed a number of key routes to market with immediate revenue potential from partners including Speedy Hire (via Speedy Hydrogen Solutions) in the UK, Acciona in Europe and TAMGO in the Saudi Arabian and MENA region.

In the Fuel Processing segment, the Company is seeing interest in fast tracking its proprietary ammonia cracker technology to support the decarbonisation of hard to abate industries through the adoption of hydrogen derived from carrier fuels such as ammonia.

In both circumstances, the Company believes it is well positioned to build on the prior three years of investment in technology, commercial readiness and manufacturing scale up, to now accelerate time to market for both its technology platforms. In addition, there is a potential first mover advantage to be exploited in its respective markets and so time to market is critical, underpinning the Company's decision to review its financing activities.

The net proceeds of the Fundraising will be utilised to capitalise on the Company's existing commercial routes to market for its H-Power generators (specifically the roll out of initial orders from Speedy Hydrogen Solutions and when orders are placed by TAMGO), continue to progress development of its technologies and provide general working capital.

Use of proceeds

The proceeds of the Fundraising will support a number of key activities within the Group's business. As well as providing general working capital for the Group, the proceeds of the Fundraising will facilitate:

- investment in H-Power 30kW generators and the rollout of Speedy Hydrogen Solutions' orders and, when placed, TAMGO orders;
- investment in production equipment to support manufacturing scale up;
- investment in Speedy Hire Joint Venture (Speedy Hydrogen Solutions); and
- commercial development and corporate overheads.

Any proceeds from the REX Retail Offer will be used for corporate purposes.

3. Details of the Fundraising

The Issue Price

The Issue Price represents a discount of approximately 26.8 per cent. to the closing mid-price per Ordinary Share on 7 June 2024, being the last practicable date prior to the date of the announcement of the Fundraising.

Details of the Placing

The Company has conditionally raised gross proceeds of approximately £13.7 million (before expenses) pursuant to the Placing, which was carried out by the Joint Bookrunners.

The Placing is being conducted in two tranches. 74,074,964 Firm Placing Shares will be allotted and issued pursuant to the Firm Placing and are expected to be admitted to trading on AIM on or around 13 June 2024, raising gross proceeds of approximately £11.1 million for the Company (before expenses). 17,204,036 Conditional Placing Shares are expected to be allotted and issued pursuant to the Conditional Placing and, subject to, *inter alia*, First Admission becoming effective and the passing of the Fundraising Resolutions, are expected to be admitted to trading on AIM on or around 1 July 2024, raising gross proceeds of approximately £2.6 million for the Company.

In connection with the Placing, the Company has entered into a Placing Agreement with the Joint Bookrunners. The Placing Agreement contains certain customary warranties given by the Company concerning the Fundraising and matters relating to the Group and its business. The Company has also agreed to indemnify the Joint Bookrunners and their respective affiliates against certain liabilities that they may incur in respect of the Placing. The Placing Agreement is terminable by the Joint Bookrunners in certain customary circumstances at any time prior to Second Admission (and, for the avoidance of doubt, First Admission) including, *inter alia*, should there be a breach of a warranty contained in the Placing Agreement or should a force majeure event take place or a material adverse change to the business of the Group occur.

The Placing is conditional upon the Placing Agreement not having been terminated and becoming unconditional in respect of the Placing Shares and, *inter alia*:

- in respect of the Firm Placing Shares, First Admission becoming effective at 8:00 a.m. on 13 June 2024 (or such later time and/or date as the Company and the Joint Brokers may agree, but in any event by no later than 8.00 a.m. on 26 June 2024). The Directors will use the Company's existing authorities and powers to disapply pre-emption rights granted by resolutions passed at the 2024 AGM to allot and issue the Firm Placing Shares. The issue of the Firm Placing Shares is not, therefore, subject to the approval of Shareholders; and

- in respect of the Conditional Placing Shares, First Admission becoming effective, the Fundraising Resolutions being duly passed without amendment at the General Meeting and Second Admission becoming effective at 8:00 a.m. on 1 July 2024 (or such later time and/or date as the Company and the Joint Brokers may agree, but in any event by no later than 8.00 a.m. on 17 July 2024).

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue.

The Placing Shares are not subject to clawback. The Placing is not being underwritten. The Placing is not conditional on a minimum amount being raised.

Details of the Subscription

As certain directors of the Company, being the Subscribing Directors, are considered to be "related parties" as defined under the AIM Rules, their participation in the Subscription constitutes a related party transaction for the purposes of Rule 13 of the AIM Rules.

Director	Title	Number of Subscription Shares
Gary Bullard	Chair and Non-Executive Director	266,667
Adam Bond	Chief Executive Officer	266,667
Peter Dixon-Clarke	Chief Financial Officer	66,666
Monika Biddulph	Non-Executive Director	66,666
Aggregate Subscription		666,666

As such, Gerry Agnew and Duncan Neale, who are not participating in the Fundraising and are therefore considered to be independent for the purposes of the Subscription consider, having consulted with the Company's Nominated Adviser, Peel Hunt, that the terms of the Subscription are fair and reasonable insofar as the Company's shareholders are concerned.

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue.

The Subscription is conditional upon, *inter alia*, the Placing Agreement not having been terminated and First Admission occurring on or before 8.00 a.m. on 13 June 2024 (or such later date and/or time as the Joint Bookrunners and the Company may agree, being no later than 8.00 a.m. on 26 June 2024).

Details of the REX Retail Offer

The Company values its retail shareholder base and believes that it is appropriate to provide its existing retail Shareholders in the United Kingdom the opportunity to participate in the REX Retail Offer via participating Intermediaries. Up to 13,333,333 REX Retail Offer Shares may be issued pursuant to the REX Retail Offer at the Issue Price to raise proceeds of up to £2 million (before expenses). The REX Retail Offer does not form part of the Placing or Subscription.

The Company announced on 10 June 2024 that it would be making the REX Retail Offer open to eligible investors in the United Kingdom following release of the REX Retail Offer Announcement. The

REX Retail Offer closed at 5.00 p.m. on 11 June 2024. An announcement of the results of the REX Retail Offer can be found on the Company's website www.afcenergy.com.

Pursuant to the terms of the Intermediaries Agreement, the Company has made the REX Retail Offer to existing retail Shareholders through Intermediaries via the REX Platform. The obligations of the Intermediaries under the Intermediaries Agreements are conditional in all respects upon: (a) the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms; and (b) Second Admission.

Under the Intermediaries Agreements relating to the REX Retail Offer, the Company has agreed to pay commission to the Intermediaries on the basis of the amounts subscribed for by their clients under the REX Retail Offer. The Company has agreed to pay to Peel Hunt commission based on the aggregate value of the REX Retail Offer Shares issued pursuant to the REX Retail Offer. It is a term of the REX Retail Offer that the total value of the REX Retail Offer Shares available for subscription at the Issue Price does not exceed £2 million.

Full terms and conditions can be found in the announcement of the REX Retail Offer Announcement.

The REX Retail Offer Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue.

The REX Retail Offer is conditional upon (amongst other things) the Placing Agreement not having been terminated, the passing of the Fundraising Resolutions at the General Meeting and Second Admission occurring on or before 8.00 a.m. on 1 July 2024 (or such later date and/or time as the Joint Bookrunners and the Company may agree, being no later than 8.00 a.m. on 17 July 2024).

4. Admission, settlement and dealings

Applications have been or will be made to the London Stock Exchange for admission of the Fundraising Shares to trading on AIM as follows:

- it is expected that First Admission will take place on or before 8.00 a.m. on 13 June 2024 and that dealings in the Firm Fundraising Shares on AIM will commence at the same time and at which time it is also expected that the Firm Fundraising Shares will be enabled for settlement in CREST; and
- it is expected that Second Admission will take place on or before 8.00 a.m. on 1 July 2024 and that dealings in the Conditional Fundraising Shares on AIM will commence at the same time and at which time it is also expected that the Conditional Fundraising Shares will be enabled for settlement in CREST.

5. General Meeting

The Directors do not currently have authority and power to allot the Conditional Fundraising Shares. Accordingly, the Board is seeking the approval of Shareholders at the General Meeting to allot the Conditional Fundraising Shares, together with approval to disapply pre-emption rights in respect of the Conditional Fundraising Shares. In addition, the Directors are seeking to renew the Company's share authorities and pre-emption rights based on the maximum Enlarged Share Capital of the Company.

Set out at the end of this document is a notice convening the General Meeting to be held at the offices of Peel Hunt LLP, 7th Floor, 100 Liverpool Street, London EC2M 2AT at 11.00 a.m. on 28 June 2024. At the General Meeting, the following Resolutions will be proposed:

- Resolution 1, which is an ordinary resolution to authorise the Directors to allot relevant securities pursuant to the Conditional Fundraising (but for no other purpose) up to an aggregate nominal amount of £30,538.00, being equal to 30,538,000 Ordinary Shares;
- Resolution 2, which is an ordinary resolution to authorise the Directors to allot relevant securities for cash up to an aggregate nominal amount of £170,552.00, being equal to 170,552,000 Ordinary Shares, for the general purposes of the Company;
- Resolution 3, which is conditional on the passing of Resolution 1 and is a special resolution to authorise the Directors to allot ordinary shares in the capital of the Company for cash pursuant to the Conditional Fundraising (but for no other purpose) on a non-pre-emptive basis up to a maximum aggregate nominal value of £30,538.00; and
- Resolution 4, which is conditional on the passing of Resolution 2 and is a special resolution to authorise the Directors to allot ordinary shares in the capital of the Company for cash on a non-pre-emptive basis up to a maximum aggregate nominal value of £85,276.00, for the general purposes of the Company.

The authorities to be granted pursuant to the Resolutions shall expire on whichever is the earlier of the conclusion of the next annual general meeting of the Company and the date falling 12 months from the date they are passed (unless renewed, varied or revoked by the Company prior to or on that date by special resolution).

6. Action to be taken

Please check that you have received a Form of Proxy for use in relation to the General Meeting with this document. If you choose to receive your communications electronically you will have received an email notification to vote online at www.investorcentre.co.uk/eproxy. To access the service, you will need the Control Number, your Shareholder Reference Number (SRN) and Personal Identification Number (PIN). These are shown on the proxy form or the email notification of this document (if the Company communicates with you electronically).

You are strongly encouraged to complete, sign and return your Form of Proxy, or cast your vote online, in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible but in any event so as to arrive by not later than 11.00 a.m. on 26 June 2024 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

7. Recommendation

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors recommend that you vote in favour of the Resolutions, as they intend to do in respect of their own holdings of Ordinary Shares.

Yours faithfully

Gary Bullard
Chairman

NOTICE OF GENERAL MEETING

AFC ENERGY PLC

(the “Company”)

(registered in England and Wales with company number 05668788)

NOTICE IS HEREBY GIVEN that a General Meeting of AFC Energy Plc (the “**Company**”) will be held at the offices of Peel Hunt LLP, 7th Floor, 100 Liverpool Street, London EC2M 2AT on 28 June 2024 at 11.00 a.m. to consider and, if thought fit, pass the following resolutions of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolutions 3 and 4 as special resolutions.

ORDINARY RESOLUTIONS

1. That, in addition to all other powers granted to the directors of the Company at the annual general meeting of the Company held on 25 April 2024, the directors of the Company (the “**Directors**”) be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to allot Relevant Securities (as defined below) for cash up to an aggregate nominal amount of:
 - (a) £17,204.04 pursuant to the Conditional Placing (as defined and set out in the document in which this Notice of General Meeting is included) and for no other purpose; and
 - (b) £13,333.96 pursuant to the REX Retail Offer (as defined and set out in the document in which this Notice of General Meeting is included) and for no other purpose,

provided that these authorities shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date falling 12 months from the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may at any time before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authorities hereby conferred has expired. In this Resolution 1 and in Resolution 2 below, “**Relevant Securities**” means any shares in the capital of the Company and the grant of any right to subscribe for, or to convert any security into, shares in the capital of the Company.

2. That, in addition to all other powers granted to the Directors at the annual general meeting of the Company held on 25 April 2024 and pursuant to Resolution 1 above, the Directors be generally and unconditionally authorised in accordance with section 551 of the Act to allot Relevant Securities for cash up to an aggregate nominal amount of £170,552.00 which represents 20 per cent. of the maximum aggregate nominal value of the Company’s issued ordinary share capital following Second Admission (as defined in the document in which this Notice of General Meeting is included), provided that this authority shall expire on the date falling 12 months from the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would, or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement

as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

3. That, in addition to all other powers granted to the Directors at the annual general meeting of the Company held on 25 April 2024, and subject to the passing of Resolution 1, the Directors be empowered pursuant to section 570 and section 571 of the Act to allot equity securities (as defined in section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment pursuant to the authority conferred on them by Resolution 1 provided that such power shall, unless renewed, varied or revoked by the Company in general meeting:
 - (a) be limited to the allotment of equity securities up to an aggregate nominal amount of:
 - i. £17,204.04 in connection with the Conditional Placing (as defined and set out in the document in which this Notice of General Meeting is included) and for no other purpose; and
 - ii. £13,333.96 pursuant to the REX Retail Offer (as defined and set out in the document in which this Notice of General Meeting is included) and for no other purpose;
 - (b) expire on the date falling 12 months from the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

4. That, in addition to all other powers granted to the Directors at the annual general meeting of the Company held on 25 April 2024 and pursuant to Resolution 3 above, and subject to the passing of Resolution 2, the Directors be and are empowered pursuant to section 570 and section 571 of the Act to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority conferred by Resolution 2 and empowered to sell ordinary shares (as defined in section 560 of the Act) held by the Company as treasury shares (as defined in section 724 of the Act) for cash, in each case as if section 561(1) of the Act did not apply to such allotment or sale, provided that this power shall be limited to the allotment of equity securities and the sale of treasury shares:
 - a. in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; or
 - b. otherwise than pursuant to sub-paragraph 4a. above, up to an aggregate nominal amount of £85,276.00, and such powers shall expire on the date falling 12 months from the date of the passing of this resolution or, if earlier, at the conclusion of the

next annual general meeting of the Company, save that the Company may before such expiry make an offer or agreement which would, or might require equity securities to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

BY ORDER OF THE BOARD

Brendan Keane
(Company Secretary)

Dated: 12 June 2024

Registered office:
Unit 71.4
Dunsfold Park
Cranleigh, Surrey
GU6 8TB

Company Number: 05668788

Notes:

1. A member entitled to attend and vote at the General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of them. A member may appoint more than one proxy in relation to the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. The proxy need not be a member of the Company. Please refer to the notes to the Form of Proxy for further information on appointing a proxy, including how to appoint multiple proxies (as the case may be).
2. If you wish your proxy to speak on your behalf at the General Meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them. If you wish to appoint a proxy other than the Chairman, write the full name of your proxy in the box provided in the Form of Proxy.
3. In the absence of instructions, the person appointed proxy may vote or abstain from voting as they think fit on the specified resolutions and, unless otherwise instructed, may also vote or abstain from voting on any other matter (including amendments to resolutions) which may properly come before the General Meeting.
4. In the case of joint holders, the signature of any one of them will suffice but the names of all joint holders should be stated. The vote of the senior who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the votes of other holders. For this purpose, seniority is determined by the order in which the names stand in the register of members in respect of the joint holding.
5. To be effective, the enclosed Form of Proxy together with any power of attorney or other authority (if any) under which it is executed (or a duly certified copy of such power or authority) must be received at the offices of the Company's registrars, Computershare Investor Services PLC, or at the electronic address provided in note 6, in each case no later than 11.00 a.m. on 26 June 2024.
6. It is possible for you to submit your proxy votes via the internet. You can do so by visiting www.investorcentre.co.uk/eproxy. You will require the control number, your unique PIN and Shareholder Reference Number ("SRN"). This information can be found on your Form of Proxy, or if you receive communications from the Company electronically, voting information will be contained within your email broadcast.
7. The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those members entered on the register of members of the Company at 11.00 a.m. on 26 June 2024 (being not more than 48 hours prior to the time fixed for the meeting) shall be entitled to attend and vote at the General Meeting or, if the meeting is adjourned, 11.00 a.m. on such date being not more than 48 hours prior to the date fixed for the adjourned meeting. Changes to entries on the register of members after such time shall be disregarded in determining the right of any person to attend or vote at the General Meeting.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's

specifications and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID number [3RA50]) by 11.00 a.m. on 26 June 2024. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and where applicable their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and where applicable, their CREST sponsors or voting system providers are referred in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.
12. You may not use any electronic address provided either in this notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those stated.
13. If you hold shares through a broker or nominee, you can attend the meeting if you have been appointed as a proxy or corporate representative. If the Company's Registrars have not been notified of your appointment as a proxy or you do not have a letter in respect of your corporate representation, you may be denied entry to the meeting and will be unable to vote.
14. As at the date of this document, the Company's issued share capital comprised 747,478,807 Ordinary Shares. Each Ordinary Share carries one right to vote at a general meeting of the Company and, therefore, the total number of voting rights exercisable as at the date of this document is 747,478,807.

