The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

27 August 2019

AFC Energy PLC

("AFC Energy" or the "Company")

AFC Energy and De Nora Achieve Milestone Electrode Performance

AFC Energy (AIM: AFC), a leading provider of hydrogen power generation technologies, today confirms it has achieved a milestone continuous twelve months operation of its fuel cell electrode, developed in partnership with Industrie De Nora S.p.A ("De Nora"), and is on track to achieve targeted electrode longevity.

Highlights

- Results of twelve-month operation of fuel cell electrode at AFC Energy's head office supports potential to achieve electrode life expectancy, for continuous use operations, in excess of four years.
- Over the twelve-month test, electrode degradation rates have continued to improve with time.
- Four-year electrode lifetime consistent with targeted commercial longevity necessary to drive down cost of power and achieve a power conversion cost of < US$0.10 / kWh (excl. fuel cost).
- AFC Energy and De Nora continue to develop the electrode technology and are confident that further improvements in electrode performance and reduction in cost are feasible.

Delivery of an electrode technology capable of achieving target longevity and performance is critical to the successful commercialisation of any fuel cell technology.

To assess electrode longevity, AFC Energy initiated a long-term continuous operations test in August 2018. We are pleased to report that the first anniversary of the electrode operation has now been achieved. At this time, based on linear regression analysis from the test programme, there have been no significant adverse trends which would indicate that the four-year target life will not be met.

The milestone performance announced today demonstrates the potential of the new coating formulation and architecture, developed by De Nora for exclusive use in AFC Energy's fuel cell and positions AFC Energy's product offering to be one of, if not, the lowest cost fuel cell in the market today.

De Nora has commenced work on the scaling up of the electrode chemistry at its German manufacturing facility to ensure consistency, replicability and quality assurance in advance of large-scale electrode orders.

Since commencement of this twelve-month test, De Nora and AFC Energy have continued to make progress on further enhancements to the electrode performance that are already evidencing additional improvements in electrode degradation, efficiency and cost.

AFC Energy and De Nora are now working towards a set of revised and enhanced performance metrics for a new set of improved electrodes which will be the subject to a possible extension of the existing Joint Development Agreement expected to be signed imminently.

Luca Buonerba, Chief Marketing and Business Development Officer at De Nora, said “We are extremely proud and enthused by the achievements made by De Nora and AFC Energy working in close partnership over the past three years on alkaline fuel cell electrode development. These results are undisputedly assigning the mark of “Best Available Technology” to AFC Energy’s fuel cell and we look forward to continuing our work with AFC Energy in pushing this leading alkaline fuel cell system to market.”

Adam Bond, Chief Executive Officer at AFC Energy, said “The role of hydrogen within the global energy mix is now moving towards mainstream and the opportunities for hydrogen to displace fossil fuels in the energy mix is ever increasing with the introduction of hydrogen fuelled power. These results today signify a step change in electrode performance and further validate our decision to partner with De Nora as a key partner of the AFC Energy technology team. We are excited about the new generation of ever improved electrodes being developed by our teams and continue to believe AFC Energy will be a key player in the hydrogen economy as we continue to focus our efforts on deployment in key markets such as EV charging and stationary diesel generation displacement.”

For further information, please contact:

AFC Energy plc Adam Bond (Chief Executive Officer)	+44 (0) 20 3697 1209
Cantor Fitzgerald Europe - *Nominated Adviser and Joint Broker* David Foreman, Michael Boot (Corporate Finance) Keith Dowsing (Equity Sales)	+44 (0) 20 7894 7000
M C Peat & Co LLP - *Joint Broker* Charlie Peat	+44 (0) 20 7104 2334
TUVA Partners - *Public Relations* James Kennedy	+44 (0) 7809 495 759
INDUSTRIE DE NORA Luca Buonerba (Chief Marketing & Business Development Officer)	marketing@denora.com
SPRIANO COMMUNICATION *(De Nora media relations)* Lorenza Spriano - lspriano@sprianocommunication.com	*+39 347 9834881*

About AFC Energy

AFC Energy plc is commercialising a scalable alkaline fuel cell system, to provide clean electricity for on and off grid applications. The technology, pioneered over the past twelve years in the UK, is in the process of being deployed in industrial gas plants for grid generation, as an alternative to diesel generators for localised power, in energy storage systems and as the power source for local electricity needs.

About De Nora

De Nora is an Italian multinational leader in sustainable technologies, that offers energy saving products and water treatment solutions. Globally De Nora is the pre-eminent provider of electrodes for electrochemical processes (Chlorine & Caustic, Electronics & Surface Finishing, Pools Electro-chlorination, Specialties) and is among the leaders in technologies and processes for filtration and disinfection of water (industrial use, public health, marine water and wastewater). The Company has grown internally through continuous innovation and externally with major acquisitions in USA, Japan, England and Italy. It serves clients in 119 countries and has a physical presence in 11 countries worldwide with 23 offices, 13 manufacturing facilities, 3 research & development centres in Italy, USA and Japan. De Nora currently owns 344 patent families with more than 2,000 territorial extensions. For further information, please visit De Nora's website: www.denora.com