Technology & Territory Licensing Agreement

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Hydrogen Future Industries PLC
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Hydrogen Future Industries PLC
("HFI" or the "Company")

Technology & Territory Licensing Agreement for up to €2.25 Million

Plan to develop pilot green hydrogen production system in Ireland

Hydrogen Future Industries PLC (AQSE: HFI), a developer of a proprietary wind-based green hydrogen production system featuring an advanced aerodynamic wind turbine and a high-performance electrolyser, is pleased to announce a licensing and territory agreement to deploy the Company's technology in the Republic of Ireland via a newly incorporated Irish company, Hydrogen Future Industries (Ireland) Limited ("HFI Ireland"). HFI Ireland intends to develop a pilot hydrogen production system in Ireland to demonstrate the production of low-cost green hydrogen.

The Company's wholly owned subsidiary, HFI IP Holdings Limited, has granted HFI Ireland an exclusive territory licence for up to 20 years in consideration for which the Company shall:

1) Receive a licence fee of up to €2,250,000 payable over the term of the licence (including the License Extension, defined below); and

2) be issued with an initial 30% equity interest in HFI Ireland, increasing to 40% upon HFI Ireland attracting funding of €1 million for the development of a pilot energy system.

Further details of the licence and shareholder agreements are included below.

HFI Ireland's objective is to commercialise the HFI system (including wind turbines and electrolysers) in Ireland and to construct and operate wind turbine farms for the purpose of hydrogen generation, storage, sale, and distribution within the territory. The system's unique features include a smart hydraulic drive that improves efficiency and reduces the cost of energy production. This provides the ability to generate energy over a broader range of wind speeds and, significantly, the turbine can be raised and lowered for optimal wind capture, reducing maintenance and installation costs whilst reducing permitting and approval lead times. The system is designed to meet the needs of remote off-grid communities or energy users to ease the burden on existing national grid infrastructure.

The Irish government has set out its National Hydrogen Strategy for developing an indigenous hydrogen sector focused on decarbonisation, energy security, and developing industrial opportunities. Pursuant to this national policy, HFI Ireland's management believes there are significant opportunities to attract government

support and other funding to accelerate the development of the business in Ireland. Accordingly, the Company intends to provide HFI Ireland with completed front-end engineering designs to facilitate any applications for government grant aid, private equity and EIIS funding.

HFI Ireland Licence Fee and Shareholder Agreements

HFI has entered into a shareholder agreement which governs the establishment and key commercial objectives of HFI Ireland ("Shareholder Agreement"). Notably, HFI's ownership will increase from its current 30% interest in the issued share capital of HFI Ireland to 40%, if financing of at least €1 million has been secured by HFI Ireland towards the funding of a pilot energy production system within the country.

An exclusive territorial licence has also been granted to HFI Ireland, via HFI's IP holding company, HFI IP Holdings Limited (the "Licence"). Key details of the Licence are:

1) HFI will receive an aggregate licence fee of €750,000 from HFI Ireland during the first 10-year period of the Licence. The fee is payable in equal annual instalments over the period of the Licence

2) HFI Ireland has been granted a first right of refusal pursuant to which it may extend the exclusive Licence for a further 10 years for an additional aggregate fee of €1.5 million, payable in equal annual instalments ("License Extension")

3) The permitted purpose of the Licence is the purchase, assembly, manufacture, sale and development of HFI's proprietary wind-based green hydrogen production systems including wind turbines and high-performance electrolysers and the creation and storage of hydrogen

4) The existing HFI patents subject to the Licence are detailed in the appendix to this announcement

In accordance with the Shareholder Agreement, HFI has the right to appoint two directors to the board of HFI Ireland alongside its two Irish directors Ms Katie Campbell and Mr James Campbell. Ms Campbell has over 14 years as a global IT executive working with some of the largest companies in the world. With her years of experience, she has a proven track record of developing and executing large successful marketing campaigns that drive growth and engagement. Mr Campbell has practiced as a commercial solicitor for over 40 years focussing on the technology, energy, and property sectors. He has represented many Foreign Direct Investment corporations from Silicon Valley. Furthermore, he has worked closely with the German steel group KORF KG and worked on Combined Heat and Power projects for Irish Steel.

Prior to entering the Licence agreement, the Company held 70% of the issued share capital of HFI Ireland for the purposes of incorporating the new entity and upon the execution of the Licence, the Company now holds 30% of the issued share capital of HFI Ireland. Tim Blake, CEO of the Company and Daniel Maling, Chief Commercial Officer of the Company, are both directors of HFI Ireland.

Daniel Maling, Chief Commercial Officer, commented:

"There is an energy crisis in Ireland due to the incremental demand being driven primarily from the growth of data centres. There is a positive political drive to unlock new sources of renewable energy. The establishment of hydrogen infrastructure is central to Ireland's energy transition. In particular, the west of Ireland's terrain and prevailing wind conditions are ideal for HFI's turbines which are smaller, lighter and more environmentally friendly than current solutions. The HFI system provides data centres, industry and agriculture with a unique opportunity to supply their own renewable energy."

Neil Ritson, Chairman, commented:

"This territorial licensing deal further validates the value of our IP and its importance in the renewable energy sector. Our CEO, Tim Blake, has been a regular visitor to Ireland over the last decade and has established relationships with key industry players. We look forward to providing further updates as we identify specific project opportunities and secure new sources of non-dilutive financing."

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Inside Information

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company accept responsibility for the contents of this announcement.

About Hydrogen Future Industries

Hydrogen Future Industries was established to invest in projects and companies focused on the Hydrogen Economy. We are developing a proprietary wind-based hydrogen production system, incorporating hydrogen compression and storage. Hydrogen Future Industries is at the forefront of green hydrogen production with its integrated system that marries an advanced ducted wind turbine with a state-of-the-art Anion Exchange Membrane Water Electrolyser (AEMWE). This innovative pairing is designed to optimise renewable energy for the efficient production of hydrogen.

Click here for more information about Hydrogen Future Industries.

About HFI wind turbine technology

The HFI wind turbine is at TRL (Technology Readiness Level) 6-7, showcasing an advanced design with superior aerodynamics and rotor blade technology that generates three times the energy of a traditional open rotor design. The aim is to generate energy at a cost below $30/MWh and a unit CAPEX of $700,000/MW. This innovation represents a smaller, quieter, and more efficient alternative to existing wind energy generation technology. The turbine's unique features include a smart hydraulic drive that improves efficiency and reduces the cost of energy production, the ability to generate energy over a broader range of wind speeds, and versatile energy output in hydraulic, DC, or AC forms without the need for additional AC to DC rectifiers for hydrogen production. Significantly, the turbine can be raised and lowered for optimal wind capture, reducing maintenance and installation costs, as servicing can be performed at ground level.

About HFI Anion Exchange Membrane Water Electrolyser (AEMWE) technology

At TRL 4-5, the HFI Anion Exchange Membrane Water Electrolyser (AEMWE) presents a step forward in power efficiency, longevity, and cost-reduction for green hydrogen production. Testing has confirmed a cell efficiency of 97%, notably higher than the 80-85% of rival technologies. Constructed without platinum group metal catalysts, the AEMWE utilises more affordable and accessible materials, resulting in a projected cost that is 50% lower per kW than the PEM electrolyser. It is designed to deliver high efficiency even with variable energy supply typical of renewable sources, and it features a unique system where individual cells can be replaced without halting hydrogen production. The AEMWE's catalysts are chemically attached to the electrodes, preventing wash-off and ensuring durability. The ongoing patent applications aim to protect the unique intellectual property developed around this technology.

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Caution Regarding Forward Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not a guarantee of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

Appendix - Schedule of Patents

	Title of Invention	Type of Application	Jurisdiction(s)	Issue Date	Patent No.
U.S. Patent Filings	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	U.S. Provisional	U.S.	N/A	N/A
	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	U.S. Nonprovisional (utility)	U.S.	22/12/2015	9217412
	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	U.S. Nonprovisional (utility)	U.S.	16/02/2016	9261073
	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	U.S. Nonprovisional (utility)	U.S.	16/01/2018	9869299
PCT Patent Filings	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	PCT			
	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	PCT			
Foreign Patent Filings	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	National Stage (under PCT/IB13/01158)	Europe	13/07/2016	2844868
	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	National Stage (under PCT/IB13/01037)	Europe	17/02/2016	2844867
	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	National Stage (under PCT/IB2013/001158)	India		
	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	National Stage (under PCT/IB2013/001037)	India		
	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	National Stage (under PCT/IB2013/001158)	China		
	WIND ENERGY SYSTEM AND METHOD FOR USING SAME	National Stage (under PCT/IB2013/001037)	China	30/10/2018	201380030401.5

WIND ENERGY SYSTEM AND METHOD FOR USING SAME	National Stage (under PCT/IB2013/001037); Hong Kong recordation of Chinese Patent Application No. 201380030401.5	Hong Kong	06/12/2019	HK1206805
WIND ENERGY SYSTEM AND METHOD FOR USING SAME	National Stage (under PCT/IB2013/001158); Hong Kong recordation of Chinese Patent Application No. 201380030361.4	Hong Kong		

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