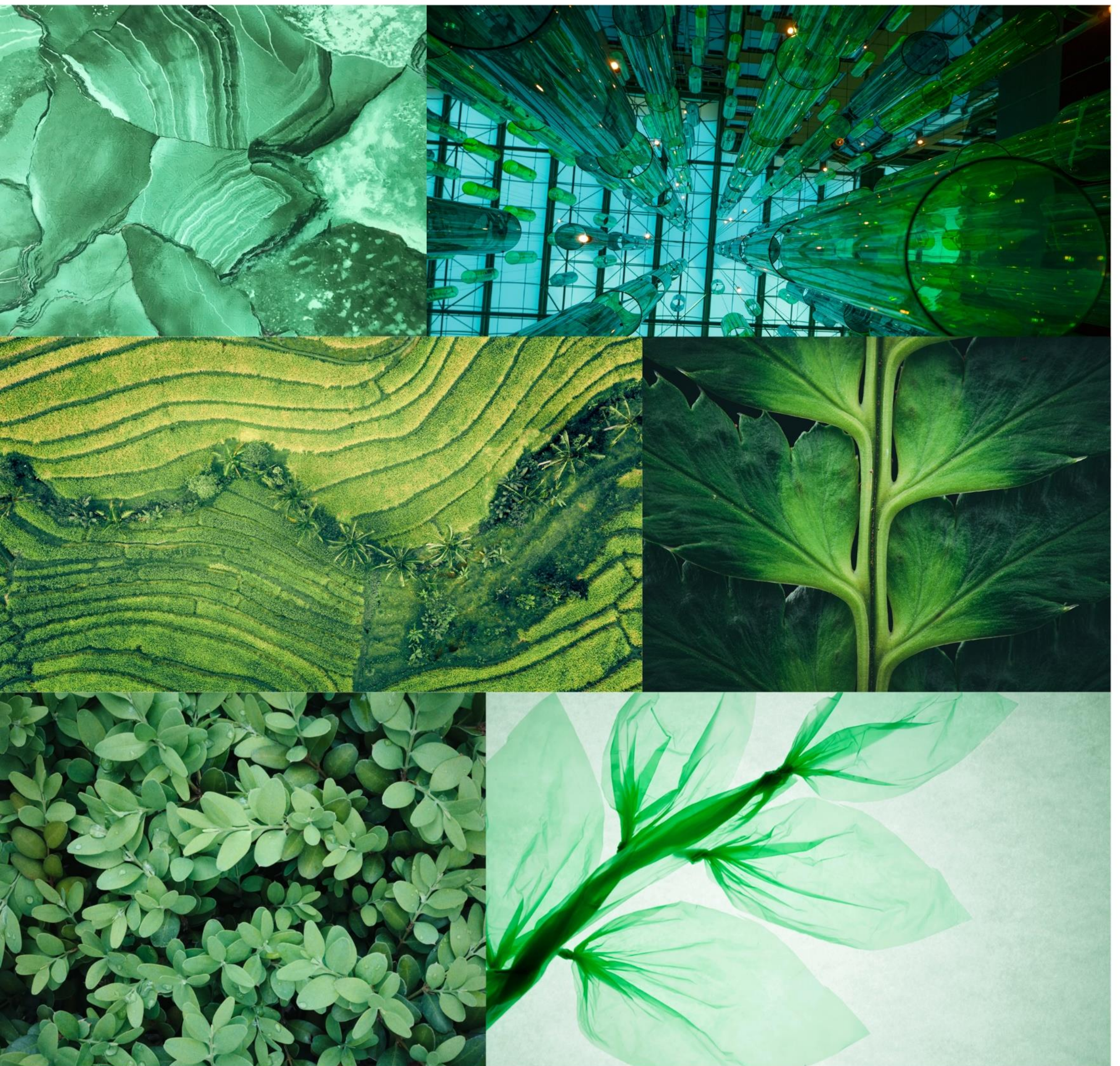


FUSION FUEL™

Endless energy.
Unlimited future.

ANNUAL REPORT

2022

SHAREHOLDER LETTER

Dear Shareholders,

As we reflect on 2022, we are reminded of the significant challenges facing the energy market. Climate change has gone from a growing concern to an existential threat, and governments around the world have responded by ramping up efforts to mitigate its impact and establish a viable path to net zero. Green hydrogen, produced using renewable energy and water, has emerged as a key pillar of the global energy transition by virtue of its flexibility as a zero-carbon fuel and clean energy vector. It has the potential to revolutionize the transportation and logistics sector, be used as a chemical feedstock for difficult-to-abate industrial processes and be blended with natural gas to decarbonize base-load power generation. Whether or not you believe that green hydrogen is a panacea, there is no question it has a role to play in the modern energy system. The opportunity that lies ahead of us is vast, and we believe Fusion Fuel is well-positioned to deliver on its ambition to lead the green hydrogen revolution.

“I’m just a bill.”

As we predicted in last year’s annual report, 2022 was a year of maturation in the green hydrogen sector. Governments, investors, and customers worldwide began to recognize the enormous potential of green hydrogen, both as a decarbonization vector and in strengthening energy security. There were several drivers of this dynamic, including notably the destructive and unjust conflict that continues to unfold in Ukraine, and the resulting volatility in energy markets that challenged the economics of conventional hydrogen production. But by far the most impactful enabler has been the continued legislative and financial commitment to the development of the hydrogen economy.

In 2022, policymakers around the world adopted new, or strengthened existing, regulatory and subsidy regimes aimed at reducing the net effective cost of hydrogen production and accelerating large-scale commercialization of green hydrogen. The European Commission adopted the RePowerEU package, intended to promote energy security and independence from Russia, which built upon existing initiatives laid out in the pioneering EU Hydrogen Strategy and established annual production targets of 10 million tons of renewable hydrogen by 2030, matched by 10 million tons of green hydrogen imports. The European Commission also expressed a commitment to accelerating the approval of Important Projects of Common European Interest (IPCEIs) that are focused on hydrogen. We remain cautiously optimistic that our Sines portfolio, which was submitted to the third wave of IPCEI Hydrogen – ‘Regional Hubs and Their Links’ – will be selected for funding.

Fortified by assertive European policy leadership, the hydrogen sector was further strengthened by the market-resetting Inflation Reduction Act (‘IRA’) passed by the US Congress and signed into law in August 2022. The landmark bill includes considerable provisions aimed at jumpstarting domestic clean energy production, with specific focus on the green hydrogen economy. In particular, the IRA expanded tax credits for renewable electricity and created new provisions for clean hydrogen, establishing production tax credits of 2.6 cents

per kWh and up to $3 per kg of hydrogen, respectively, for the first 10 years of operation. Importantly, the bill provides for a direct pay option for the hydrogen production tax credit, which means that green hydrogen producers can claim a tax refund equal in value to their tax credits for the first five years of operation.

The provisions in the IRA also complement the Regional Clean Hydrogen Hubs program created in 2021 as part of the Bipartisan Infrastructure Law. The program allocated up to $8 billion to establish as many as ten clean hydrogen hubs across the United States to accelerate the deployment of complementary green hydrogen projects and infrastructure and create a framework for the development of a national clean hydrogen network. Fusion Fuel is a member of the ARCHES consortium, California's proposed hydrogen hub, which was one of 33 proposals that were "encouraged" by the Department of Energy to proceed to the next phase. A final funding decision on the hubs is expected in the second half of 2023.

The passage of the IRA proved to be an inflection point in the US green hydrogen space, but the degree to which the IRA has also served as a powerful catalyst globally, most notably in pushing Europe to follow suit with similarly aggressive measures to level the playing field, cannot be overstated. In response, the European Commission announced the EU Green Deal Industrial Plan, legislation designed to strengthen Europe's green hydrogen economy by streamlining the regulatory and permitting environment and earmarking another €225 billion for investments in renewable energy and industrial decarbonization.

In addition to this Green Deal Industrial Plan, the European Commission also published two delegated acts intended to establish a comprehensive definition for green hydrogen and provide much needed regulatory clarity to the European hydrogen ecosystem. Europe has also established aggressive mandates for renewable fuels of non-biological origin (RFNBOs) for hydrogen use in industry, targeting 42% by 2030 and 60% by 2035. It also set a 5.5% target for advanced biofuels and RFNBOs use in the transport sector by 2030. Portugal specifically has announced the end of mandatory environmental assessments for green hydrogen projects and plans to launch Europe's first auction for piped green hydrogen in the summer of 2023.

"The true investment challenge is to perform well in difficult times."

However, despite the extremely supportive legislative backdrop, the green hydrogen sector experienced significant headwinds in 2022 from a capital markets perspective. When viewed collectively, Fusion Fuel's Board of Directors (including their respective family members) is by far the company's largest shareholder. And so, given all that the company accomplished in 2022, it is with a combination of frustration and disappointment that we approach the topic of Fusion's share price. Broadly speaking, investors have been fearful that the rapid and ongoing interest rate increases implemented by the Federal Reserve and other central banks to combat inflation will push the global economy into recession. This has led investors to seek the safety of cash and/or the shares of companies which are viewed as defensive due to them operating in recession-resistant industries.

As it is a critical R&D and deployment priority, particularly for major global economies, we believe green hydrogen is well protected, even in an economic downturn. If indeed a recession is forthcoming, it will be due to suppression of demand associated with the rise in interest rates coupled with consumer exhaustion after their post-Covid spending binge. In contrast, the demand for green hydrogen is robust, and the runway for that demand is long, supported by government incentives on both sides of the Atlantic and the strong commitment to decarbonization exhibited by wide swaths of industries across the globe. Unfortunately, a depressed share price does present a challenge for a small company like Fusion Fuel which requires access to capital to fund its growth. In response we have redoubled our efforts to identify financing sources which can enable us to capitalize on the extensive array of attractive opportunities before us and do so in a fashion accretive to shareholder value.

"In the business world, the rearview mirror is always clearer than the windshield."

While we made considerable progress in 2022, we want to begin by reflecting on what we set out to do and acknowledge where we may have fallen short on certain of our goals. Some of those we deferred or delayed, but expect to achieve in 2023, while others we made the decision to delay indefinitely due to a change in strategy. As a young company competing in a high-velocity market like green hydrogen, growing pains and some strategic pivoting are to be expected, and we believe it is important to be transparent about the choices we made and why we made them.

For example, going into 2022 we communicated that building out our commercial footprint in the Australian market was a strategic priority. While we remain bullish about the market opportunity in Australia, the passage of the IRA fundamentally upended the landscape for green hydrogen investment and, as a result, we allocated more resources towards establishing a commercial presence in the United States versus other non-European markets.

We also underestimated how steep the learning curve would be for stakeholders in the green hydrogen sector, ourselves included. Our H2Évora project is a prime example. We would be the first to acknowledge our disappointment in how long it took to reach commissioning and commercial operation. However, it is also an important reminder of just how new this industry is. H2Évora is Portugal's only green hydrogen plant, which meant that much of the regulation in place today simply did not exist previously. In fact, we played an active role in helping shape that legislation with lawmakers in Portugal, including the regulation that fast-tracks permitting for smaller scale projects from over a year to less than six months. During that time, we also learned a lot about our own technology, where there were opportunities for improvement, and how to deploy it most effectively. As a result, where H2Évora took 18 months from construction to commissioning, our Exolum project has only needed eight months to get from construction to beginning commissioning procedures.

Finally, we had expected to operationalize a number of our projects and generate our first revenues in 2022. Instead, we saw this all being effectively shifted-out by a year and are now

booking our first revenues in 2023 in addition to building out several projects over the course of the year. The delays are caused by many external factors that we have communicated previously and driven by regulatory and permitting delays as well as delays driven by the demand-side of this new industry. We believe the industry is now beginning to build implementation momentum in earnest and as one of the few players with hands-on experience in delivering electrolyzer technology and installing green hydrogen plants, we believe we are particularly well positioned in this market.

"The essence of strategy is choosing what not to do."

Despite the flood of project announcements in 2022 from players moving quickly to establish a toehold in this new and rapidly evolving market, deployment continues to lag. Relatively few projects have reached final investment decision and even fewer have entered in commercial operation. Given the unprecedented support being levied, the question is why this is occurring. We believe there is a fundamental misalignment between the current demand environment, and the green hydrogen solutions available in the market today. Green hydrogen demand is not monolithic—legacy industrial consumers, primarily the oil refining and fertilizer sectors, consume large volumes of hydrogen but are highly-price sensitive with limited appetite for paying a premium for green molecules. By contrast, emerging applications like mobility and logistics have relatively modest demand, but they ascribe the highest value to green hydrogen.

So, what is the optimal strategy for serving the customer of today while positioning for the market of the future? The vast majority of electrolyzer manufacturers have made a very explicit choice: bigger is better, pursuing economies of scale to improve unit economics. By developing ever larger, centralized electrolyzer solutions – multi-megawatt stacks of electrochemical cells – producers can spread those capital costs across a larger volume of hydrogen produced, reducing the average per-unit cost of production.

However, the strategy of large-scale centralized production is not immune to the fundamental technical and commercial challenges of hydrogen production and distribution. Building large cell-stacks entails significant complexity and cost, and there remains only limited opportunity for robotics and process automation to drive production efficiencies. Large centralized electrolyzers are also built on the assumption that producers will be able to safely, efficiently, cost-effectively transport those molecules to centers of demand. Unfortunately, insufficient distribution infrastructure remains a significant barrier to adoption and available solutions for moving hydrogen from sources of production adds material cost to end users.

"There is only one boss. The customer."

Given the variation in green hydrogen demand, which is highly dependent on the specific, and often unique, characteristics of both the use-case and end-user, the solution set for green hydrogen production must be equally diverse and reflect a deep understanding of customer

needs. Acknowledging that we can't be all things to all people, we made the strategic decision to focus on what we do better than everyone else and refine our commercial strategy entering 2023.

We believe our strategy of developing bespoke, small-to-midscale decentralized green hydrogen solutions aligns closely with the current demand profile in the market, particularly in higher-value segments like commercial transport and logistics. This strategy is enabled by our modular HEVO technology, which has a meaningful advantage over centralized electrolyzers for systems of 10 MW and under. Our flexible product architecture allows customers to scale into demand over time, with more modest capital requirements and an accelerated time to market. Our predominantly small-to-midscale project portfolio also facilitates on-premises deployment, which eliminates the need for significant infrastructure buildout, one of the primary barriers to customer adoption, and offers a clear competitive advantage compared to large, centralized production.

This strategic focus is reflected in the composition of our commercial pipeline as well, where we are seeing significant interest from projects in the small-to-midscale category, a reflection of the market's desire for more actionable, less capital intensive, and shorter lead-time projects. By the end of 2022 our project portfolio and technology sale pipeline included 40 projects, representing 1.5 GW of electrolysis capacity.

We believe hydrogen mobility will prove to be one of the most significant drivers of incremental demand through the next decade as efforts to develop a comprehensive refueling backbone begin to bear fruit. Fusion Fuel is already leading the way in the mobility space, beginning with our pioneering project in Madrid for Exolum. That facility is nearing completion, with commissioning procedures having commenced in April, and we look forward to "handing over the keys" later this quarter. However, we believe its significance goes beyond being Spain's first integrated solar-to-hydrogen refueling station; our Exolum project has established a template for what has become one of the most robust pipelines of mobility projects within Southern Europe. 15 of the 40 projects in our pipeline are mobility focused.

Yet, commercial transport is only a portion of the hydrogen mobility opportunity. The logistics and material handling segment is also uniquely well suited to benefit from the advantages of green hydrogen solutions. To that end, we recently announced a collaboration agreement with Toyota Material Handling España to accelerate the deployment of fuel cell forklift solutions in the Spanish market. We believe our end-to-end, integrated solution, which marries Fusion Fuel's modular electrolyzer technology with Toyota's market leading fuel cell forklift solutions, will prove to be a highly credible offering for logistics and material handling customers. Furthermore, we believe the Hydrogen-as-a-Service model has the potential to dramatically accelerate adoption of green hydrogen by de-risking the conversion to hydrogen gensets and we will seek to replicate this strategic partnership in other areas of the mobility and industrial economy.

In the near term, our commercial strategy for the technology business will continue to focus on projects below 10 MW, a segment where we believe we have a competitive advantage on pricing, time to market, and design considerations. We will also continue to opportunistically pursue projects where grants, strategic land sites or other unique advantages enable us to deliver cost-competitive green hydrogen at larger scale.

As we have said from the very beginning, it's too early in the evolution of the green hydrogen sector to know where in the value chain the excess risk-adjusted returns will be generated. As a result, our strategy is to play across the value chain, selling technology to third party customers, as well as developing company-owned hydrogen projects and selling the hydrogen through long-term offtake contracts. Greenfield project development creates value as a source for our technology sales pipeline as well as through potential monetization of significant project assets through partial or complete project sales, developer fees, and service fees for long-term O&M contracts.

In total, we have secured over €64 million in grant funding between Portugal and Spain, of which €60 million is related to company-owned projects. Our strategy is to continue to originate company-owned development projects, creating value as we take them through the development cycle towards final investment decision.

One of the critical milestones in the development cycle is securing long-term hydrogen offtake, which is a key stage gate in assessing project bankability and reaching final investment decision. We have made considerable progress on that front in recent months, headlined by offtake partnerships signed with the Portuguese gas utility, Dourogás, and with Hydrogen Ventures, for the hydrogen produced at our company-owned projects in Portugal. While these contracts are the first-of-their-kind in the Portuguese market, we hope they will prove to be the first of many as we continue to move our project portfolio closer to final investment decision.

"What new technology does is create new opportunities to do a job that customers want done."

The reason we are able to deliver cost-competitive green hydrogen in the small-to-midscale space is directly attributable to our patented HEVO micro-electrolyzer technology. Where the market has gone down the path of large stacks of electrochemical cells in one centralized system, we have gone in the opposite direction with the architecture of our HEVO solution: developing a plug-and-play PEM electrolyzer with a single membrane stack with multiple electrochemical cells, all of which fits within a unit roughly the size of a lunchbox.

Our HEVO architecture unlocks a number of a critical advantages:

- Lower O&M cost, increased uptime – Modular approach reduces maintenance cost and downtime, as individual HEVOs can be easily serviced or replaced on site rather than requiring a full system shut-down.

- Superior response time – The miniaturized electrochemical cells have a near immediate response time and therefore are able to handle rapid fluctuation in power supply where other systems have longer switch-on times.
- Improved long-term performance – Our proprietary design enhances overall performance as the degradation of individual electrochemical cells is isolated and does not impact system-wide performance.
- Reduced losses – Independent operation of higher performing electrochemical cells can decrease mismatch losses by 5-10%.
- Cheaper power equipment – Miniaturized Membrane Electrode Assembly (MEA) design requires one eighth of the amperage of a centralized electrolyzer for the same amount of power, optimizing electrical systems and enabling significant cost savings on power equipment, which accounts for roughly 50% of the balance of system costs.
- Lower cost of production – Rationalized design and lower-pressure operation enables the use of inexpensive structural materials (e.g., injection-molded plastic, titanium stamping).
- Designed for industrial production – simplified engineering enables the integration of high-throughput production processes, allowing us to benefit from economies of scale through mass production.

We have continued to invest aggressively in R&D and innovation to serve a market that demands safe, high performance, reliable green hydrogen solutions. As a result, the velocity of change in our core HEVO micro-electrolyzer technology has been enormous. When we entered 2022, we had commercialized our 2021 HEVO micro-electrolyzer. At the time of this writing, we have begun the final testing phase of our 2023 HEVO, which we will be installing in projects throughout the year. Through improvements and innovation design in both the MEA and the HEVO itself, one of our latest generation HEVOs has the same output as 8 of our first generation units. This represents enormous gains in cost efficiency as well as ease of installation of the units and overall production scalability.

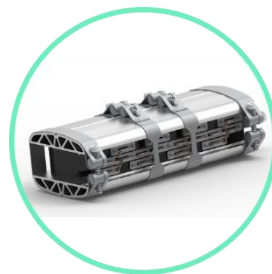


Fig. 1 2023 HEVO

In 2022 we also announced a technical and commercial partnership with Toshiba Energy Systems & Solutions. Toshiba has developed a novel technology for the deposition of iridium on the membrane that requires significantly less iridium than conventional production

approaches. However, Toshiba's production approach is not currently well suited for larger-dimension membranes, like those used in centralized electrolyzers. By contrast, our MEAs are the optimal size and thickness for use in Toshiba's process. We have continued to work closely with Toshiba to test their MEAs in our HEVOs and have also explored the potential for a production partnership.

From the very beginning, our strategy has been to offer green hydrogen solutions that serve any need for hydrogen. In November 2022, we announced the introduction of the HEVO-Chain to our product line. By offering a complementary product to our HEVO-Solar, we have meaningfully broadened our ability to address the market's demand for solutions to produce green hydrogen.

The HEVO-Chain is our reinterpretation of the centralized electrolyzer model. It is a modular, stackable electrolyzer comprised of strings of interconnected HEVOs that retains the advantages of our distributed production approach with a significantly smaller footprint, that can be connected to any source of renewable energy. By applying this building-block approach enabled by our modular architecture, we can deploy bespoke, decentralized hydrogen solutions that meet the needs of the current demand environment while allowing customers to scale into demand over time. While it has not yet entered commercial production, we believe the HEVO-Chain will prove to be a superior offering for on-premises, small-to-midscale green hydrogen production.

Our current strategy envisions three versions of the HEVO-Chain:

1. A 20-foot containerized solution that can house up to 1 MW of electrolyzer capacity;
2. A 40-foot containerized solution that can house up to 2.5 MW of electrolyzer capacity;
3. A customizable non-containerized solution.

Fig. 2 HEVO-Chain Hydrogen Unit for Container

Fig. 3 HEVO-Chain Rack

Fig. 4 HEVO-Chain (1 MW 20-foot Container)

The core of the containerized offering is the HEVO-Chain Hydrogen Module, which consists of 16 HEVOs interconnected in a string, representing 11.2 kW of electrolysis capacity and outputting up to 5.6 kg of hydrogen per day at a pressure of 4 bar. The modules are designed

for a standard 19” rack cabinet, allowing for up to eight units to be integrated seamlessly. Each container would include independent power electronics and water purification systems.

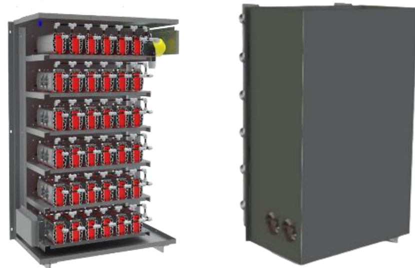


Fig. 5 HEVO-Chain
Hydrogen Unit

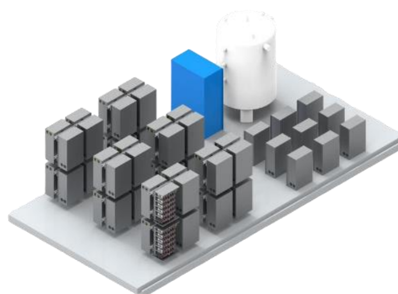


Fig. 6 HEVO-Chain
(1 MW Non-Containerized)

At the core of the non-containerized solution is the HEVO-Chain Hydrogen Unit, which consists of 36 HEVOs representing 20.2kW of electrolysis capacity with an operating current of 20 amps, along with oxygen and hydrogen detectors, and a venting system. The system also includes a water board and oxygen separator for the entire facility, along with rectifiers for the Hydrogen Units. Using our building block approach, additional Hydrogen Units can be deployed as needed to achieve the required electrolyzer capacity. The modularity, scalability, and adaptability of the HEVO-Chain is unique in the market today, particularly in the small-to-midscale space.

We are actively in the market with both solutions and are extremely encouraged by the early indications of customer interest. In fact, we have already submitted two proposals to third-party tenders using the non-containerized HEVO Chain system— one in Spain and one in Greece—for delivery in late 2023 / early 2024.

"Alone we can do so little; together we can do so much."

In the past we have talked extensively about the importance of strategic partnerships as a formidable tool for creating shareholder value. Elsewhere in this letter we have discussed a subset of the partnerships Fusion Fuel has entered into to date, most notably those with Toshiba Energy Systems and Toyota Material Handling España, which we believe will prove to be a source of meaningful value over the coming years. We also recognize the potential of partnerships to extend our commercial and operational footprint beyond our core markets. In that vein, in 2022 we announced anchor projects in two new geographies, the United States and Italy, in conjunction with highly complementary local partners. While early, we believe these are critical first steps towards establishing Fusion Fuel as a truly global player in the green hydrogen sector.

As discussed, the passage of the IRA in the United States represented a pivotal change in the green hydrogen sector as players across the value chain jockey for position in this wide-open market. We too communicated our intention to accelerate our expansion into North America, announcing a 75 MW green hydrogen facility to be developed in Bakersfield, California, together with our partner Electus Energy. However, Bakersfield is only the tip of the iceberg. We are continuing to pursue our strategy of focusing on small-to-midscale opportunities and are in dialogue with a number of prospective counterparts to expand our footprint in what we believe will certainly be one of the largest green hydrogen markets going forward.

While it did not come with the same degree of fanfare, Italy has also set aggressive targets for the development of electrolysis capacity and green hydrogen production, and earlier this year announced the approval of €450 million in direct grants for green hydrogen projects. However, subsidies aside, we viewed the Italian market as an extension of our core business and a natural next step for the expansion within Europe. Accordingly, in late 2022 we announced a partnership with Duferco Energia SpA to extend our reach into the Italian market, beginning with a 1.25 MW project at Duferco's industrial facility in Giammoro, Sicily.

Our strategy is to build on the commercial blueprint we have employed successfully in the Portuguese and Spanish markets, with particular focus on small-to-midscale mobility and industrial opportunities. As one of the largest operators in the Italian energy market, Duferco's local sales network and deep expertise in fuel logistics and distribution make it the ideal partner to help us achieve that ambition and establish a significant near-term commercial pipeline.

As a small player in the nascent green hydrogen sector, it is vital that we remain laser-focused on the products and markets in which we have a compelling value proposition and material competitive advantage. Partnerships are crucial to executing on our growth ambition as they enable us to enter new markets, leverage new capabilities, and create new and innovative offerings. Looking ahead, we will continue to pursue our partnership strategy as a means to drive innovation, increase market share, and achieve sustainable growth for our business.

"It's tough to make predictions, especially about the future."

A third of the way through 2023, we have already begun to see positive indications in the green hydrogen sector. Market dynamics have improved as a new legislative framework has laid the foundation for increased regulatory clarity and investment certainty, funding from grant programs has begun to shake loose, and the private sector has started rolling out their decarbonization initiatives in earnest.

From our perspective, we have started to see more consistent and accelerated movement on VAT reimbursement as well as the disbursement of grant funding. The financial sector has developed a deeper understanding of green hydrogen and electrolyzer technology, which has led to greater receptivity from commercial banks in providing project financing for green

hydrogen projects. On the commercial side, we have also observed greater receptivity, particularly amongst European energy players, in evaluating electrolysis as a way to enhance the value of their existing renewables portfolio. The HEVO-Chain is an important enabler of commercial discussions with those counterparts as it is well-suited for integration with an on-site solar or wind asset; by contrast, the HEVO-Solar, which generates its own energy, was not an applicable solution for those opportunities.

We expect to receive cash inflows from customers for the first time beginning in 2023. Overall, we have provided guidance of €25 million of revenues for this year, of which roughly €5.7 million is associated with third party technology sales that are already contracted for. The first revenues we will book this year are related to projects for Exolum and KEME Energy, and we expect to recognize some of these revenues in the first half of 2023.

We are in advanced discussions to sell two projects that we have originated and are progressing through the development cycle, each employing our HEVO-Solar technology. This is a strategic decision we are taking to monetize the value we have created in developing these projects and generate meaningful near-term cash inflows. In this model, the buyer contracts with Fusion Fuel for part of the project execution and materials, with approximately €25m of associated cash inflows expected during 2023. Our revenue target for 2023 assumes that both projects will be sold, which will convert them to technology sales.

Roughly 20% of our pipeline is tied to third party contracts for which we are bidding or providing tender offers, while the balance are projects where Fusion Fuel is the principal project developer responsible for securing land, grants, permits, and at times the hydrogen offtake before selling the project to a financial sponsor. The ability to control and create our own demand gives us considerable confidence in delivering on our longer-term revenue targets.

"A conclusion is simply the place where you got tired of thinking."

We made substantial progress in 2022 towards our goal of becoming a leading green hydrogen solutions company. While we continue to fly under the radar, we believe Fusion Fuel is on the cusp of a major step-change. With our unique and highly focused product offerings, a state-of-the-art production facility, and a differentiated and diversified revenue model with both technology sales and project development, we believe we are well-positioned to play a significant role at a moment when the industry is poised for exponential growth. We are actively executing on technology sale contracts for delivery in 2023, while also continuing to create meaningful value in our development assets moving them steadily towards final investment decisions.

We believe 2023 will see sharper focus on delivery as players in the market will have to demonstrate not only the ability to announce exciting projects, but advance them to final investment decision and, ultimately, to commercial operation. Here we are ahead of the curve, having commissioned Portugal's first green hydrogen plant and developed Spain's first integrated solar-to-hydrogen refueling station. With several more pioneering projects on the

way, including the inaugural projects using our HEVO-Chain technology, we look forward to demonstrating the versatility of green hydrogen as a clean energy source and decarbonization vector.

As we look to the future, we could not be more excited about the potential of green hydrogen to transform the energy landscape. We remain committed to creating value for our shareholders, stakeholders, and communities in which we operate, while also contributing to a sustainable future for generations to come.

Thank you for your continued support.

Jeffrey Schwarz
Chairman of the Board

Alla Jezmir
Board Member

Frederico Figueira de Chaves
Board Member

Jaime Silva
Board Member

João Teixeira Wahnon
Board Member

Rune Magnus Lundetrae
Board Member

Theresa Jester
Board Member

ANNUAL REPORT HIGHLIGHTS

2022 Highlights

- Zachary Steele and Frederico Figueira de Chaves appointed as Co-Heads of Fusion Fuel
- Confirmed tech sales and grant income for 2022 of €4.2m
- Advanced 6 projects into late stage of development totaling over €20m in revenue potential (including grants) in 2022
- Entered into commercial partnerships with AESA and HIVE Energy
- Launch of HEVO production line at Benavente factory
- Executed commercial & technical MOU with Toshiba ESS
- Received notification of approval for grant funding from C-5 of PRR; negotiations on total grant amount are ongoing
- Received approval for €10 million in grant funding from C-14 of PRR to develop the HEVO-Industria project in Sines
- Black & Veatch completed independent technology assessment of Fusion Fuel and HEVO-Solar system
- TUV SUD completed three-month performance audit of HEVO-Solar system
- Commenced construction on Exolum project in Madrid, Spain
- Filed two additional patents
- Announcement of €5m contingent technology sale contract for a 3.2 MW green hydrogen project in Spain
- Announcement of €2m technology sale contract with KEME Energy for a green hydrogen project in Portugal
- Announcement of an agreement with Duferco Energia SpA to develop Italian green hydrogen market
- Announcement of an agreement with Electus Energy to develop a 75 MW green hydrogen project in Bakersfield, California
- Introduced a new centralized PEM electrolyzer solution, the HEVO-Chain and filed respective patent
- Fusion Fuel consortium awarded €36m grant from Portugal's C-05 Mobilizing Agendas for Business Innovation
- Announcement of €9m Sale and leaseback of Benavente factory

2023 Subsequent Events (up to end of April 2023)

- Announced hydrogen offtake agreement with Dourogás
- Signed of Terms of Acceptance for €10m grant from PRR Component 14
- Awarded €3.3m grant from H2 Pioneros Program for 2.4 MW green hydrogen project in Spain
- Announced strategic partnership agreement with Toyota Material Handling España
- Awarded €3.6m in grant funding from PRR Component 5 for 1 MW green hydrogen mobility project
- Entered into 10-year hydrogen offtake agreement with Hydrogen Ventures
- Secured €2.46m green hydrogen equipment supply contract with CSIC

Key Financials & Figures (€000's)

KEY FINANCIALS & FIGURES (€000'S)	2022	2021
o/w cost of sales[1]	(8,765)	-
o/w share-based payment (non-cash) expenses[2]	(3,509)	841
o/w research and development expense	(908)	(182)
o/w operating expenses[3]	(18,244)	(7,510)
o/w impairment charge[5]	(3,321)	-
OPERATING LOSS	**(34,747)**	**(6,851)**
o/w fair value movement – warrants[4]	7,620	28,354
o/w finance income, net	442	2,690
o/w share of loss of equity-accounted investees	(628)	(629)
PRE-TAX PROFIT (LOSS)	**(27,313)**	**23,564**
Property, plant and equipment[5]	21,273	18,111
Intangible assets[6]	5,350	3,847
TOTAL NON-CURRENT ASSETS	**26,623**	**21,958**
Inventory[7]	22,336	3,685
Prepayments and other receivables[8]	8,242	8,472
Cash and cash equivalents	8,164	7,681
Financial asset investments	-	27,453
TOTAL CURRENT ASSETS	**38,742**	**47,291**
TOTAL ASSETS	**65,365**	**69,249**
Trade and other payables[9]	14,913	3,288
Provisions[10]	8,403	-
Deferred income[11]	3,111	-
Cost accruals	1,934	1,178
Derivative financial instruments – Warrants[4]	7,651	15,271
TOTAL LIABILITIES	**36,012**	**19,737**
TOTAL NET ASSETS	**29,353**	**49,512**

[1] The following items are Included here; (i) Onerous contract provisions (€8.4 million) – we recorded onerous contract provisions for our Exolum project (€5.2 million) as well as two other projects that had to commence by December 31, 2022. We recognised an onerous contract provision of €3.2 million which reflects the Group's best estimate at this time of the total expected contract losses. (ii) Scrappage costs (€0.36 million) were incurred as part of the production of our product during 2022. All impairment charges recorded are non-cash items.

[2] The 2022 expenses relate to the Company granting 57,896 RSU's to employees, directors and consultants during 2021, and 59,441 RSU's to employees during 2022. In Q1 2022, the Company issued 2,128,554 options, in total, to five of its senior managers and all non-executive directors. As the RSUs and options awarded are dependent on future service being provided to the Company, the Company considers them to be service awards under IFRS 2 and classifies both the expected share awards in equity with a corresponding compensation expense in the income statement. These are non-cash expenses.

[3] These expenses are related to the operational activity by the Group. Our personnel costs increased in 2022 due to our inflated headcount and the level of senior hires as compared to 2021. In addition, we saw increases to professional & consulting fees, amortization charges, reserved capacity costs incurred with our outsourced production partner, MagP (€1.49 million) and IFRS 16 related lease costs.

[4] Derivatives are initially recognized at their fair value on the date the derivative contract and transaction costs are expensed to profit or loss. Warrants are subsequently re-measured at fair value at each reporting date with changes in fair value recognized in profit or loss. The fair value of the warrants is determined with reference to the prevailing market price on NASDAQ under the ticker HTOOW. Warrants were only exercised during Q1 2021. The market price at December 31, 2022, was $0.92 (December 31, 2021: $ 1.95). These fair value movements represent non-cash items.

[5] The balance includes our Benavente facility (€4.96 million), our Évora demonstrator plants (€4.18 million) which represents the balance after an impairment charge of €3.32 million was recorded, and our HEVO-Sul project in Sines, Portugal (€3.48 million). In addition, we have recognized Right-of-Use assets for our lease arrangements in accordance with IFRS 16 *Leases* (€8.0 million).

[6] Recognized here is the IP that transferred in connection with our merger in 2020 (€1.9 million) and the spend incurred on our HEVO technology to date (€2.61 million, net of amortization charges) along with spend on future iterations of the HEVO (€0.72 million).

[7] Inventory is recorded at the lower of cost and net realisable value. The cost of scraped materials through the normal production cycle amounted to €0.4 million during 2022.

[8] Advanced payments to supplier's accounts for €1.93 million of this balance. In addition, we have deferred consideration & deposit relating to the sale-and-leaseback transaction (€1.31m) and a grant receivable balance of €0.8m. In addition, a VAT recoverable balance of €3.67 million is included within.

[9] €6.15 million of this balance represents amounts owed to suppliers. The remaining balance mostly relates to IFRS 16 *Leases* bookings (€8.32 million).

[10] Represents the provisions recorded for our onerous contract losses. See item 1 for further information.

[11] This relates to the grant funding received in December 2022 for our C-5 project that we have yet to commence.

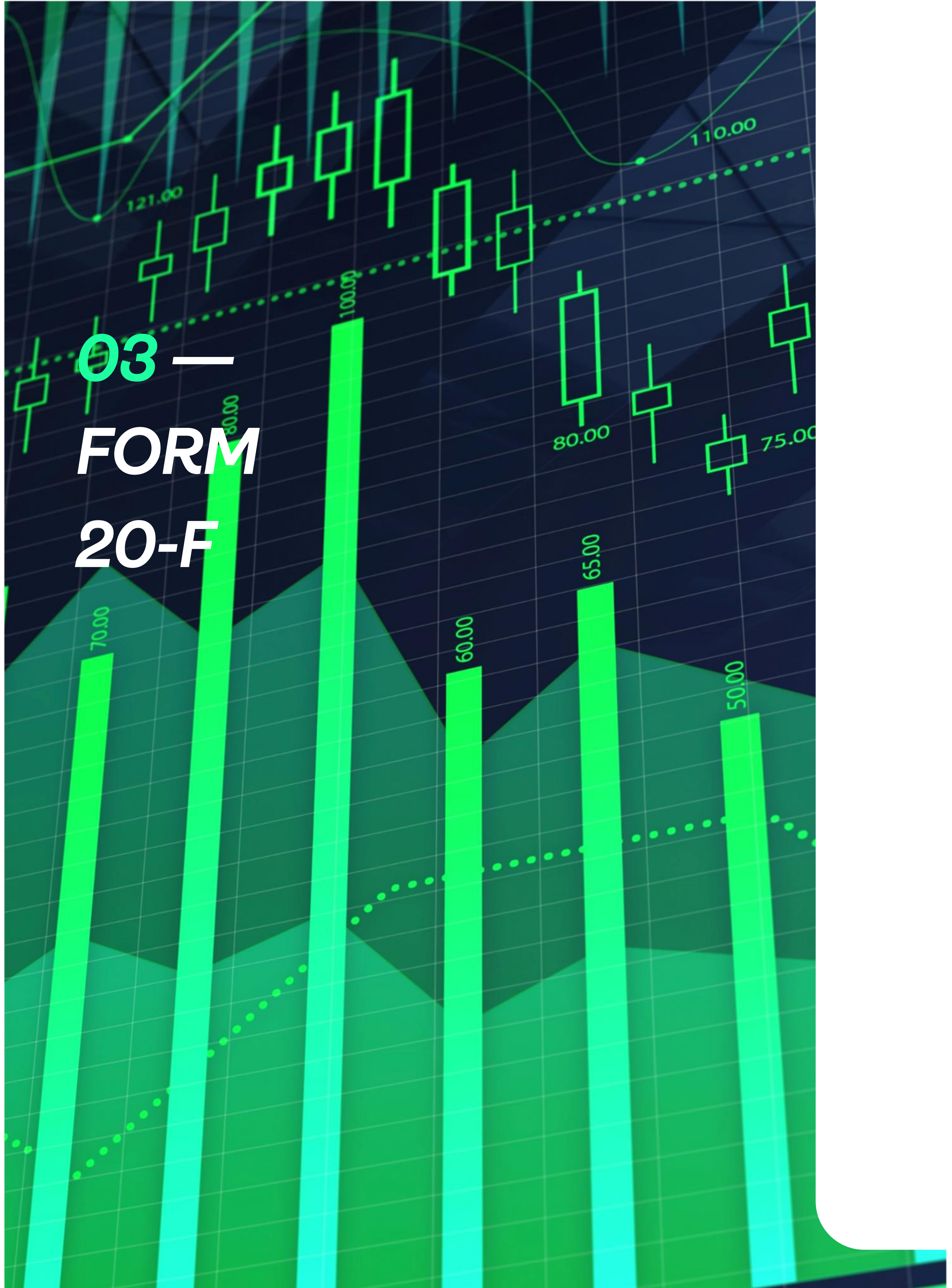
SHARES, WARRANTS AND RSUs AT PERIOD END	2022	2021
ORDINARY SHARES		
Class A[1]	13,805,648	10,988,723
Class B[2]	-	2,125,000
TOTAL SHARES OUTSTANDING	**13,805,648**	**13,123,723**
WARRANTS OUTSTANDING	**8,869,633**	**8,869,633**
RSUs OUTSTANDING	**88,084**	**42,896**
OPTIONS OUTSTANDING[3]	**2,128,554**	**-**

[1] On June 6, 2022, we entered into an At the Market Issuance Sales Agreement ("the ATM") with B. Riley Securities, Inc., Fearnley Securities Inc., and H.C. Wainwright & Co., LLC, pursuant to which the Company may offer and sell, from time to time, through or to the agents, acting as agent or principle, shares of the Company's common stock having an aggregate offering price of up to $30 million under the Company's Form F-3 registration statement. During 2022, the Parent sold 681,926 class A ordinary shares for net proceeds of $3.7 million (€3.7 million) and paid $0.1 million (€0.1 million) in commissions to agents as part of these trades.

[2] On December 6, 2022, holders of the class B ordinary shares converted such shares to class A ordinary shares on a 1 for 1 basis. There were no class B ordinary shares in issue at December 31, 2022.

[3] During Q1 2022, the Company issued 2,128,554 options to members of its executive committee and to all non-executive directors. These options were all issued under the 2021 Equity Incentive Plan, which commenced during Q3 2021 and provides the recipient with the option to exercise at a future point in time in exchange for one Class A Ordinary Share. Each option award includes a minimum strike price and has either service, market or non-market conditions attached. This is a non-cash expense. No options were exercised during 2022.

03 — FORM 20-F



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report _____________

Commission File Number 001-39789

FUSION FUEL GREEN PLC

(Exact name of registrant as specified in its charter)

N/A
(Translation of Registrant's name into English)

Ireland
(Jurisdiction of incorporation or organization)

The Victorians
15-18 Earlsfort Terrace
Saint Kevin's
Dublin 2, D02 YX28, Ireland
(Address of principal executive offices)

Frederico Figueira de Chaves, Chief Financial Officer

The Victorians
15-18 Earlsfort Terrace
Saint Kevin's
Dublin 2, D02 YX28, Ireland
Tel: +353 1 920 1000
(Name, telephone, e-mail and/or facsimile number and address of Company contact person)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Ordinary Shares, $0.0001 par value per share	**HTOO**	**The Nasdaq Stock Market LLC**
Warrants to purchase Ordinary Shares	**HTOOW**	**The Nasdaq Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: As of December 31, 2022, there were 13,805,648 Class A Ordinary Shares issued and outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☒
Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐ International Financial Reporting Standards as issued by the International Accounting Standards Board ☒ Other ☐

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18 ☐

If this report is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

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INTRODUCTION

In this Annual Report on Form 20-F (this "Annual Report"), unless otherwise indicated, all references to "we," "our," "us," the "Company," "Parent" or "Fusion Fuel," and all similar terms, refer to Fusion Fuel Green plc, a public limited company incorporated in Ireland.

Financial Statement Presentation

The historical financial statements presented in this Annual Report were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and are denominated in Euros ("EUR" or "€").

Parent qualifies as a Foreign Private Issuer and prepares its financial statements in accordance with IFRS.

Exchange Rate Information

The translations from USD to EUR in this Annual Report were made at a rate of USD 1 to EUR 1.07, which is the rate published by "Banco de Portugal" (Bank of Portugal) on December 31, 2022.

We make no representation that the EUR or USD amounts referenced in this Annual Report could have been or could be converted into EUR or USD, as the case may be, at any particular rate or at all. On May 5, 2023, the noon buying rate as set forth in the H.10 statistical release of the Federal Reserve Board was USD 1 to EUR 1.10.

Summary of Risk Factors:

An investment in our securities involves a high degree of risk. The occurrence of one or more of the events or circumstances described in the section titled "*Risk Factors*," alone or in combination with other events or circumstances, may materially adversely affect our business, financial condition and operating results. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. Such risks include, but are not limited to:

- Parent has a limited operating history, and accordingly, you have limited financial information on which to evaluate Parent and Parent's securities.
- We may need additional capital in the future to meet our financial obligations and to pursue our business objectives. Additional capital may not be available on favorable terms, or at all, which could compromise our ability to meet our financial obligations and grow our business.
- The hydrogen production industry is an emerging market and hydrogen production may not receive widespread market acceptance.
- The economic benefits to our customers of our HEVO based technologies over competitor products depend on the cost of electricity available from alternative sources including local electric utility companies, which cost structure is subject to change.
- We currently face and will continue to face significant competition.

- We depend on a few customers for our revenue pipeline and the loss of any such customers could adversely affect our business, financial condition, results of operations and cash flows in 2023 and beyond.

- Our future success depends in part on our ability to increase our production capacity, and we may not be able to do so in a cost-effective manner and cannot guarantee that our production partners or suppliers ramp up in time.

- The performance of our HEVO based products may be affected by field conditions and other factors outside of our control, which could result in harm to our business and financial results.

- Fusion Fuel's products create a flammable fuel that is an inherently dangerous substance. If our products contain manufacturing defects, our business and financial results could be harmed.

- If our estimates of the useful life for our products are inaccurate or we do not meet service and performance warranties and guaranties, or if we fail to accrue adequate warranty and guaranty reserves, our business and financial results could be harmed.

- Any significant disruption in the operations at our manufacturing facilities or the manufacturing facilities of MagP Inovação, S.A. ("MagP"), an entity that is majority-owned by Negordy Investments, S.A. ("Negordy"), one of our shareholders, could delay the production of our HEVO-Solars, which would harm our business and results of operations.

- The failure of our suppliers to continue to deliver necessary raw materials or other components used in our products in a timely manner or at all, or our inability to obtain substitute sources of these components on a timely basis or on terms acceptable to us, could prevent us from delivering our products within required time frames, impair our ability to manufacture our products, could increase our costs of production and could cause installation delays, cancellations, penalty payments, and damage to our reputation.

- We face supply chain competition, including competition from businesses in other industries, which could result in insufficient inventory and negatively affect our results of operations. Further, we, and some of our suppliers, obtain capital equipment used in our manufacturing process from sole suppliers and, if this equipment is damaged or otherwise unavailable, our ability to deliver products on time will suffer.

- We may become subject to product liability claims which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.

- Our patent applications may not result in issued patents, and our issued patents may not provide adequate protection, either of which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours. Our failure to protect our intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly. In addition, some of our designs could be contested by other technology developers or patent holders which are unknown to us, potentially resulting in increased costs due to licensing agreements or legal costs associated with contesting any claims.

- Fusion Fuel's ability to generate revenues is substantially dependent upon it entering into both hydrogen purchase and technology sale agreements with third parties.

- If Fusion Fuel does not retain its senior management and key employees, or attract and retain additional talent, Parent may not be able to grow or achieve its business objectives.

- Increases in costs, disruption of supply or shortage of raw materials, including membranes and concentrating lenses, could harm our business.

- If our manufacturing plant in Benavente suffers delays or becomes inoperable, we will be unable to produce our electrolyzers and our business will be harmed.
- Our growth strategy is aggressive and includes operating in more territories.
- We are subject to an increasing sustainability focus.
- Parent expects to experience foreign currency gains and losses. Fluctuations in currency exchange rates can adversely affect its profitability.
- A transfer of Class A Ordinary Shares or Warrants, other than one effected by means of the transfer of book-entry interests in the Depositary Trust Company, may be subject to Irish stamp duty.
- If the Class A Ordinary Shares or Warrants are not eligible for deposit and clearing within the facilities of DTC, then transactions in the Class A Ordinary Shares and/or Warrants may be disrupted.
- An investment in the Class A Ordinary Shares may result in uncertain U.S. federal income tax consequences.
- In certain limited circumstances, dividends paid by Parent may be subject to Irish dividend withholding tax.
- Dividends received by Irish residents and certain other shareholders may be subject to Irish income tax.
- Class A Ordinary Shares or Warrants received by means of a gift or inheritance could be subject to Irish capital acquisitions tax.
- Attempted takeovers of Parent will be subject to the Irish Takeover Rules and will be under the supervisory jurisdiction of the Irish Takeover Panel.
- Investors may face difficulties in protecting their interests, and their ability to protect their rights through the U.S. federal courts may be limited, because Parent is formed under Irish law.
- An outbreak of a severe public health crisis, such as the coronavirus ("COVID-19") pandemic, may adversely affect Parent's business, results of operations, and financial condition.
- As a foreign private issuer, we are exempt from a number of rules under the Exchange Act, we are permitted to file less information with the Securities and Exchange Commission (the "SEC") than domestic companies, and we are permitted to follow home country practice in lieu of the listing requirements of Nasdaq, subject to certain exceptions. Accordingly, there may be less publicly available information concerning us than there is for issuers that are not foreign private issuers.
- Resales of our Class A Ordinary Shares or Warrants, or the perception that such resales might occur, may cause the market price of the Class A Ordinary Shares or Warrants to drop significantly, even if Fusion Fuel's business is doing well.
- A substantial number of our Class A Ordinary Shares may be issued upon the exercise of our options and warrants, which could adversely affect the price of our Class A Ordinary Shares.
- Our dual-class voting structure limits your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of Class A Ordinary Shares may view as beneficial.
- We may issue additional Class A Ordinary Shares or other equity securities without seeking shareholder approval, which would dilute your ownership interests and may depress the market price of the Class A Ordinary Shares.
- If the Class A Ordinary Shares or Warrants are de-listed from Nasdaq, we could face significant material adverse consequences.

- The trading price of the Class A Ordinary Shares or Warrants may be volatile, and holders of the Class A Ordinary Shares or Warrants could incur substantial losses.

- An active trading market of the Class A Ordinary Shares and Warrants may not be sustained and investors may not be able to resell their Class A Ordinary Shares and Warrants at or above the price for which they purchased such securities.

- Because we currently do not have plans to pay cash dividends on the Class A Ordinary Shares, you may not receive any return on investment unless you sell your Class A Ordinary Shares for a price greater than that which you paid.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains or may contain forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act") that involve significant risks and uncertainties. All statements other than statements of historical facts are forward-looking statements. These forward-looking statements include information about our possible or assumed future results of operations or our performance. These statements involve known and unknown risks, uncertainties and other factors, including those listed under "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operation," and elsewhere in this Annual Report that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

In some cases, these forward-looking statements can be identified by words and phrases such as "may," "should," "intend," "predict," "potential," "continue," "will," "expect," "anticipate," "estimate," "plan," "believe," "is /are likely to" or the negative form of these words and phrases or other comparable expressions. The forward-looking statements included in this Annual Report relate to, among other things:

- our goals and growth strategies;

- our future prospects and market acceptance of products and services;

- our future business development, financial condition and results of operations;

- changes in our revenue, costs or expenditures;

- our expectations regarding the demand for, and market acceptance of, our products and services;

- general economic and business conditions in the markets in which we operate;

- growth and competition in the markets in which we operate;

- relevant government policies and regulations relating to our business and industry;

- the length and severity of a public health crisis, such as the COVID-19 pandemic, including its impact on our business and on demand, project development, construction, operations, and maintenance, finance, and our global supply chains, actions that may be taken by governmental authorities to contain the outbreak or treat its impacts, and the ability of our customers, suppliers, vendors, and other counterparties to fulfill their contractual obligations to us; and

- the assumptions underlying or related to any of the foregoing.

These forward-looking statements involve various risks, assumptions and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may turn out to be incorrect. Our actual results could be materially different from or worse than our expectations. You should read this Annual Report and the documents that we refer to in this Annual Report with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this Annual Report include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements made in this Annual Report relate only to events or information as of the date on which the statements are made in this Annual Report. All forward-looking statements included herein attributable to us or other parties or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We undertake no obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, after the date of this Annual Report or to reflect the occurrence of unanticipated events, except as otherwise required by the U.S. federal securities laws.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

A. [RESERVED]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

You should carefully consider the following risk factors and all of the information contained in this Annual Report, including but not limited to, the matters addressed in the section titled "Forward-Looking Statements," and the financial information with respect to Parent before you decide whether to invest in our securities. The value of your investment will be subject to the significant risks affecting us and inherent in the Green Hydrogen industry and the Iberian market. Any of the following risks could materially adversely affect our business, financial condition or results of operations. This could cause the trading price of the Class A Ordinary Shares and/or Warrants to decline, perhaps significantly, and you could lose all or a part of your investment. Additional risks and uncertainties not currently known to us or that we currently do not consider to be material may also materially and adversely affect our business, financial condition or results of operations.

Risks Relating to Our Business

Parent and Fusion Fuel Portugal have a limited operating history.

Parent and Fusion Fuel Portugal have a limited operating history. Because of this, your basis upon which to evaluate our ability to achieve our business objectives and operate profitably is correspondingly limited. This could adversely affect the price of our securities and future prospects.

We may need additional capital in the future to meet our financial obligations and to pursue our business objectives. Additional capital may not be available on favorable terms, or at all, which could compromise our ability to meet our financial obligations and grow our business.

Our future capital requirements depend on many factors, including our research, development, and sales and marketing activities. We intend to continue to make investments to support our business growth. Accordingly, we may require additional funds to:

- continue our research and development;
- commercialize our new products and services;
- achieve market acceptance of our products and services;
- establish and expand our sales, marketing, and distribution capabilities for our products and services;
- protect our intellectual property rights or defend, in litigation or otherwise, any claims we infringe third-party patents or other intellectual property rights;
- invest in businesses, products and technologies, although we currently have no commitments or agreements to do so; and
- keep progressing the development of projects in Fusion Fuel´s own project portfolio
- otherwise fund our operations.

If we do not have, or are not able to obtain, sufficient funds, we may have to delay product development initiatives or license to third parties the rights to commercialize products or technologies we would otherwise seek to market. We also may have to reduce marketing, customer support or other resources devoted to our products.

If we need to raise additional capital through public or private equity or debt offerings or through arrangements with strategic partners or other sources in the future in order to continue to develop and commercialize our products and product candidates, we cannot assure you that additional capital will be available when needed or on terms satisfactory to us, if at all. To the extent we raise additional capital by issuing equity securities, our shareholders may experience substantial dilution and the new equity securities may have greater rights, preferences or privileges than our existing Class A ordinary shares.

The green hydrogen production industry is an emerging market and green hydrogen production may not receive widespread market acceptance.

The green hydrogen production industry is still relatively nascent in an otherwise mature and heavily regulated industry, and we cannot be sure that potential customers will accept hydrogen production broadly, or our HEVO based products specifically. Enterprises may be unwilling to adopt our solution over traditional or competing power sources for any number of reasons including the perception that our technology is unproven, a lack of confidence in our business model, the perceived unavailability of back-up service providers to operate and maintain our technology, and lack of awareness of our product or the perception of regulatory or political headwinds. In addition, companies may take longer than expected to use green hydrogen over brown hydrogen due to potential price differentiation. Because this is an emerging industry, broad acceptance of our products and services is subject to a high level of uncertainty and risk. If the market develops more slowly than we anticipate, our business will be harmed.

Our limited operating history and our nascent industry make evaluating our business and future prospects difficult.

The Fusion Fuel team began its work in the renewable energy industry in 2008, and since such time we have been focused principally on research and development activities relating to concentrated solar power, part of which we have applied to our technology. Fusion Fuel´s hydrogen project began in 2018. Although the hydrogen project is an extension of our historical business it comes with some different challenges, including the challenges described elsewhere in these "Risk Factors" which we may not have the experience or ability to successfully overcome. Furthermore, our hydrogen generator, the HEVO, is a new type of product in the nascent hydrogen industry. Consequently, predicting our future revenue and appropriately budgeting for our expenses is difficult, and we have limited insight into trends that may emerge and affect our business. If actual results differ from our estimates or if we adjust our estimates in future periods, our operating results and financial position could be materially and adversely affected.

Fusion Fuel's products involve a lengthy sales and installation cycle and if we fail to close sales on a regular and timely basis, our business could be harmed.

Fusion Fuel's sales cycle is typically 12 to 24 months but can vary considerably. In order to make a sale, we must typically provide a significant level of education to prospective customers regarding the use and benefits of Fusion Fuel's products and technology. The period between initial discussions with a potential customer and the eventual sale of even a single product typically depends on a number of factors, including the potential customer's budget, required construction and production licenses, and the decision as to the type of financing it chooses to use as well as the arrangement of such financing. Prospective customers often undertake a significant evaluation process which may further extend the sales cycle. Once a customer makes a formal decision to purchase our product, the fulfilment of the sales order by us will require a substantial amount of time. We expect the time between the entry into a sales contract with a customer and the installation of our technology to range from three to nine months or more depending on the licensing and permitting stages of a project. This lengthy sales and installation cycle is subject to a number of significant risks over which we have little or no control. Because of both the long sales and long installation cycles, we may expend significant resources without having certainty of generating a sale.

These lengthy sales and installation cycles increase the risk that an installation may be delayed and/or may not be completed. In some instances, a customer can cancel an order for a particular site prior to installation, and we may be unable to recover some or all of our costs in connection with design, permitting, installation and site preparations incurred prior to cancellation. Our operating expenses are based on anticipated sales levels, and many of our expenses are fixed. If we are unsuccessful in closing sales after expending significant resources or if we experience delays or cancellations, our business could be materially and adversely affected. Since we do not recognize revenue on the sales of our products until installation and acceptance, a small fluctuation in the timing of the completion of our sales transactions could cause operating results to vary materially from period to period.

We believe that part of the cancellation risk is mitigated in these early years, as our first projects are being developed for Fusion Fuel's own business line. Fusion Fuel will then operate the first green hydrogen plants.

The economic benefits to our customers of our HEVO-Solar solution over competitor products depend on the cost of electricity available from alternative sources including local electric utility companies, which cost structure is subject to change.

We believe that a customer's decision to purchase our HEVO-Solar technology is significantly influenced by the price predictability of electricity generated by the system in comparison to the retail price and the future price outlook of electricity from the local utility grid and other energy sources. The economic benefit of our solution to our customers includes, among other things, the benefit of reducing such customer's payments to the local utility company. The rates at which electricity is available from a customer's local electric utility company is subject to change and any changes in such rates may affect the relative benefits of our products. Even in markets where we are competitive today, rates for electricity could decrease and render our solutions uncompetitive. Several factors could lead to a reduction in the price or future price outlook for grid electricity, including the impact of energy conservation initiatives that reduce electricity consumption, construction of additional power generation plants (including nuclear, coal or natural gas) and technological developments by others in the electric power industry which could result in electricity being available at costs lower than those that we can achieve. If the retail price of grid electricity decreases at a faster rate than we or our customers expect, it could reduce demand for our HEVO-Solar products and harm our business.

Fusion Fuel also has a centralized electrolyzer offering, the HEVO-Chain, which is able to compete with other electrolyzers in the market and therefore we believe this risk can be mitigated.

We currently face and will continue to face significant competition.

Fusion Fuel operates in a highly competitive industry. We compete for customers, financing partners, and incentive dollars with other electric power providers and hydrogen solutions. Several of our primary competitors are diversified multinational companies with substantially larger operating staff and greater capital resources. Further, many providers, such as traditional utilities and other companies offering distributed generation products, have longer operating histories, have customer incumbency advantages, have access to and influence with local and state governments, and have access to more capital resources than do we. These larger competitors' greater resources could allow them to better withstand industry downturns and to compete more effectively on the basis of technology, geographic scope and retained skilled personnel. If these competitors substantially increase the resources they devote to developing and marketing competitive solutions and services, we may not be able to compete effectively. Similarly, consolidation among their competitors could enhance their product and service offerings and financial resources, further intensifying competition. Significant developments in alternative technologies, such as energy storage, wind, solar, or hydro power generation, or improvements in the efficiency or cost of traditional energy sources, including coal, oil, natural gas used in combustion, or nuclear power, may materially and adversely affect our business and prospects in ways we cannot anticipate. We may also face new competitors who are not currently in the market. If we fail to adapt to changing market conditions and to compete successfully with grid electricity or new competitors, our growth will be limited which would adversely affect our business results.

We depend on a few customers for the majority of our revenues and the loss of any such customers could adversely affect our business, financial condition, results of operations and cash flows.

We sell most of Fusion Fuel's products to a range of customers that currently includes a few anchor customers, and, while we are continually seeking to expand our customer base, we expect this concentration of our customer base will continue for the next several years. Accordingly, our near-term success depends upon the continued purchases of our products by a small number of customers, and any fluctuation or decline in business with our major customers could have an adverse impact on our business, financial condition and results of operations. Our dependence on a small number of major customers may expose us to additional risks. For instance, a slowdown, delay or reduction in a customer's orders could result in excess inventories or unexpected quarterly fluctuations in our operating results and liquidity. Our major customers may have significant purchasing leverage over us to require changes in sales terms including pricing, payment terms and product delivery schedules, which could adversely affect our business, financial condition, results of operations and cash flows. If one of our major customers delays payment of or is unable to pay their receivables, that could have a material adverse effect on our business, financial condition, results of operations and cash flows. While we believe that part of this cancellation risk will be mitigated in the early years as the first projects will be developed for Fusion Fuel's own business line, and Fusion Fuel will then operate the first green hydrogen plants, we cannot assure you of that. If we are unable to build and maintain a broad customer base and build relationships with potential new customers, our business may be adversely affected.

Risks Relating to our Products and Manufacturing

Weakness in the economy, market trends and other conditions affecting the profitability and financial stability of our customers could negatively impact our sales growth and results of operations.

The demand for our products and services is sensitive to the production activity, capital spending and demand for products and services of our customers. Many of our potential customers operate in markets that are subject to cyclical fluctuations resulting from market uncertainty, trade and tariff policies, currency exchange rates, central bank interest rate changes, foreign competition, offshoring of production, oil and natural gas prices, geopolitical developments, labor shortages, inflation, deflation, and a variety of other factors beyond our control. Any of these factors could cause customers to idle or close facilities, delay purchases, reduce production levels, or experience reductions in the demand for their own products or services. Any of these events could also reduce the volume of products and services these customers purchase from us or impair the ability of our customers to make full and timely payments and could cause increased pressure on our selling prices and terms of sale. Accordingly, a significant or prolonged slowdown in activity in any major world economy, or a segment of any such economy, could negatively impact our sales growth and results of operations.

Our future success depends in part on our ability to increase our production capacity, and we may not be able to do so in a cost-effective manner and cannot guarantee that our production partners ramp up in time.

To the extent we are successful in growing our business, we may need to increase our production capacity. Our ability to plan, obtain financing, construct, and equip additional manufacturing facilities is subject to significant risks and uncertainties, including the following:

- The expansion or construction of any manufacturing facilities will be subject to the risks inherent in the development and construction of new facilities, including risks of delays and cost overruns as a result of factors outside our control such as delays in government approvals, burdensome permitting conditions, and delays in the delivery of manufacturing equipment and subsystems that we manufacture or obtain from suppliers.

- Adding manufacturing capacity in any international location will subject us to new laws and regulations including those pertaining to labor and employment, environmental and export import. In addition, it brings with it the risk of managing larger scale foreign operations.

- We may be unable to achieve the production throughput necessary to achieve our target annualized production run rate at our current and future manufacturing facilities.

- Manufacturing equipment may take longer and cost more to engineer and build than expected and may not operate as required to meet our production plans.

- We may depend on third-party relationships in the development and operation of additional production capacity, which may subject us to the risk that such third parties do not fulfil their obligations to us under our arrangements with them.

- We may be unable to attract or retain qualified personnel.

This risk is partially mitigated because we currently outsource all production functions which are non-related to our HEVO technology to third parties. If any of our key suppliers are unable to expand their manufacturing facilities, we may be unable to further scale our business. Over the next three to five years, Fusion Fuel is in the process of establishing its own assembly line(s) and production plant(s). If we are unable to do so, this could limit the ability of Fusion Fuel to scale its business. If the demand for our technology or our production output decreases or does not rise as expected, we may not be able to spread a significant amount of our fixed costs over the production volume, resulting in a greater than expected per unit fixed cost, which would have a negative impact on our financial condition and our results of operations.

The performance of our technology may be affected by field conditions and other factors outside of our control, which could result in harm to our business and financial results.

Field conditions, such as the natural elements and utility processes which vary by region and may be subject to seasonal fluctuations, are not always possible to predict until the plant is in operation. Although we believe we have designed the units to withstand the variety of field conditions we expect to encounter, as we move into new geographies and deploy new service configurations, we may encounter new and unanticipated field conditions. Adverse impacts on performance may require us to incur significant re-engineering costs or divert the attention of our engineering personnel from product development efforts. Furthermore, we may be unable to adequately address the impacts of factors outside of our control in a manner satisfactory to our customers. Any of these circumstances could significantly and adversely affect customer satisfaction, market acceptance, and our business reputation.

If our products contain manufacturing defects, our business and financial results could be harmed.

Our units are complex products and they may contain undetected or latent errors or defects. Changes in our supply chain or the failure of our suppliers to otherwise provide us with components or materials that meet our specifications could also introduce defects into our products. In addition, as we grow our manufacturing volume, the chance of manufacturing defects could increase. Any manufacturing defects or other failures of our systems to perform as expected could cause us to incur significant re-engineering and replacement costs, divert the attention of our engineering personnel from product development efforts, and significantly and adversely affect customer satisfaction, market acceptance, and our business reputation. Given the fact that the electrolyzers only produce around 20 grams of hydrogen each day and that they operate in an open area, there is little to no safety risk to employees or customers.

Furthermore, we may be unable to correct manufacturing defects or other failures of our products in a manner satisfactory to our customers, which could adversely affect customer satisfaction, market acceptance, and our business reputation.

Fusion Fuel's products create a flammable fuel that is an inherently dangerous substance.

Our systems create hydrogen gas through electrolysis. While our products do not use this fuel in a combustion process, hydrogen gas is a flammable fuel that could leak and combust if ignited by another source. Further, any such accidents involving our products or other products using similar flammable fuels could materially suppress demand for, or heighten regulatory scrutiny of, our products.

The risk of product liability claims and associated adverse publicity is inherent in the development, manufacturing, marketing and sale of hydrogen, a flammable gas. Any liability for damages resulting from malfunctions or design defects could be substantial and could materially adversely affect our business, financial condition, results of operations and prospects. In addition, an actual or perceived problem with our products could adversely affect the market's perception of our products resulting in a decline in demand for our products, which may materially and adversely affect our business, financial condition, results of operations and prospects.

Each green hydrogen production plant will consider purchasing an insurance policy to insure such project to mitigate this operational risk, but due to the nascent industry and market for these products, it is unknown what the financial burden might be of any such insurance policy, and we may determine that the costs of insuring for these risks make it impractical for us to obtain insurance. Accordingly, we cannot assure you that each plant will purchase insurance nor that any insurance coverage purchased will be adequate. Any uninsured occurrence of business disruption, litigation, natural disaster, or significant damages to our uninsured equipment or technology infrastructure could result in substantial costs and diversion of resources for us and could adversely affect our financial condition and results of operations.

Fusion Fuel's purchase orders may not ship, be commissioned or installed, or convert to revenue.

Some of the orders we accept from customers may require certain conditions or contingencies to be satisfied, or may be cancelled, prior to shipment or prior to commissioning or installation, some of which are outside of our control. The time periods from receipt of an order to shipment date and installation vary widely and are determined by a number of factors, including the terms of the customer contract and the customer's deployment plan. There may also be product redesign or modification requirements that must be satisfied prior to shipment of units under certain of our agreements. If the redesigns or modifications are not completed, some or all of our orders may not ship or convert to revenue. In certain cases, we may publicly disclose anticipated, pending orders with prospective customers; however, those prospective customers may require certain conditions or contingencies to be satisfied prior to entering into a purchase order with us, some of which are outside of our control. Such conditions or contingencies that may be required to be satisfied before we receive a purchase order may include, but are not limited to, successful product demonstrations or field trials. Converting orders into revenue may also depend upon our customers' ability to obtain financing. Some conditions or contingencies that are out of our control may include, but are not limited to, government tax policy, government funding programs, and government incentive programs. Additionally, some conditions and contingencies may extend for several years. We may have to compensate customers, by either reimbursement, forfeiting portions of associated revenue, or other methods depending on the terms of the customer contract, based on the failure on any of these conditions or contingencies. While not probable, this could have an adverse impact on our revenue and cash flow.

If our estimates of the useful life for our units are inaccurate or we do not meet service and performance warranties and guaranties, or if we fail to accrue adequate warranty and guaranty reserves, our business and financial results could be harmed.

We will provide performance warranties and guaranties covering the efficiency and output performance of our Hydrogen Generators for the first five years. Our pricing of these contracts and our reserves for warranty and replacement will be based upon our estimates of the useful life of our units and their components, including assumptions regarding improvements in power module life that may fail to materialize. Although there is a 12-year history on the solar tracking systems, the Direct Coupled Photo Electrochemical Hydrogen Generator (the "HEVO"), which produces green hydrogen at one of the highest efficiency ratios and at the most competitive cost (€/Kg) in the green hydrogen industry, does not have a long history with a large number of field deployments, and our estimates may prove to be incorrect. Failure to meet these performance warranties and guaranty levels may require us to replace the units at our expense or refund their cost to the customer, or require us to make cash payments to the customer based on actual performance, as compared to expected performance, capped at a percentage of the relevant equipment purchase prices. We will accrue for product warranty costs and recognize losses on service or performance warranties when required by IFRS based on our estimates of costs that may be incurred and based on historical experience. However, as we expect our customers to renew their maintenance service agreements each year, the total liability over time may be more than the accrual. Actual warranty expenses have in the past been below and may in the future be greater than we have assumed in our estimates, the accuracy of which may be hindered due to our limited history operating at our current scale.

Our business is subject to risks associated with construction, utility interconnection, cost overruns and delays, including those related to obtaining government permits and other contingencies that may arise in the course of completing installations.

Payments on the sales of our units are paid in instalments, including an up-front payment upon placing an order, a payment on delivery, and a final payment upon the installation and acceptance (except where a third party is responsible for installation). Therefore, our financial results may be impacted by the timeliness of the installation or delivery of the units. Furthermore, in some cases, the installation of the units may be on a fixed price basis, which subjects us to the risk of cost overruns or other unforeseen expenses in the installation process.

The construction, installation, and operation of our units at a particular site is also generally subject to oversight and regulation in accordance with applicable laws and ordinances relating to building codes, safety, environmental protection, and related matters, and typically require various governmental approvals and permits, including environmental approvals and permits, that vary by jurisdiction. In some cases, these approvals and permits require periodic renewal. It is difficult and costly to track the requirements of every individual authority having jurisdiction over our installations, to design our units to comply with these varying standards, and to obtain all applicable approvals and permits. We cannot predict whether or when all permits required for a given project will be granted or whether the conditions associated with the permits will be achievable. The denial of a permit or utility connection essential to a project or the imposition of impractical conditions would impair our ability to develop the project. In addition, we cannot predict whether the permitting process will be lengthened due to complexities and appeals. Delay in the review and permitting process for a project can impair or delay our and our customers' abilities to develop that project or may increase the cost so substantially that the project is no longer attractive to us or our customers. Furthermore, unforeseen delays in the review and permitting process could delay the timing of the installation and could therefore adversely affect the timing of the recognition of revenue related to the installation, which could harm our operating results in a particular period.

In addition, the completion of many of our installations depends on the availability of and timely connection to the natural gas grid and the local electric grid. In some jurisdictions, local utility companies or the municipality may deny our request for connection or may require us to reduce the size of certain projects. Any delays in our ability to connect with utilities, delays in the performance of installation-related services, or poor performance of installation-related services by our general contractors or sub-contractors will have a material adverse effect on our results and could cause operating results to vary materially from period to period.

Furthermore, at times we may rely on the ability of our third-party general contractors to install units at our customers' sites and to meet our installation requirements. Our work with contractors or their sub-contractors may have the effect of us being required to comply with additional rules (including rules unique to our customers), working conditions, site remediation, and other union requirements, which can add costs and complexity to an installation project. The timeliness, thoroughness, and quality of the installation-related services performed by some of our general contractors and their sub-contractors in the past may not meet expectations or standards.

Any significant disruption in the operations at our or our partner's manufacturing facilities could delay the production of our products, which would harm our business and results of operations.

We manufacture our solar concentration units in a limited number of manufacturing facilities, and initially with one key partner, MagP, any of which could become unavailable either temporarily or permanently for any number of reasons, including equipment failure, material supply, financial difficulties, public health emergencies, catastrophic weather or geologic events, or if the relationship between us and MagP deteriorates. In the event of a significant disruption to our manufacturing process, we may not be able to easily shift production to other facilities or to make up for lost production, which could result in harm to our reputation, increased costs, and lower revenues. The planned new Fusion Fuel production facility is expected to reduce our reliance on MagP, and, accordingly, would reduce the impact of any potential disruption at MagP's plant.

Delays in or not completing our product development goals may adversely affect our revenue and profitability.

If we experience delays in meeting our development goals, our products exhibit technical defects, or if we are unable to meet cost reduction targets or performance goals, including power output, useful life and reliability, the profitable commercialization of our products will be delayed. In this event, potential purchasers of our products may choose alternative technologies and any delays could allow potential competitors to gain market advantages. We cannot assure that we will successfully meet our commercialization schedule in the future.

The failure of our suppliers to continue to deliver necessary raw materials or other components of our products in a timely manner or at all, or our inability to obtain substitute sources of these components on a timely basis or on terms acceptable to us, could prevent us from delivering our products within required time frames, impair our ability to manufacture our products, could increase our costs of production and could cause installation delays, cancellations, penalty payments, and damage to our reputation.

We rely on a limited number of third-party suppliers for some of the raw materials and components for our products, including components that may be of limited supply or require customized manufacturing specifications. If our suppliers provide insufficient inventory at the level of quality required to meet customer demand or if our suppliers are unable or unwilling to provide us with the contracted quantities (as we have limited or in some case no alternatives for supply), our results of operations could be materially and negatively impacted. If we fail to develop or maintain our relationships with our suppliers, or if there is otherwise a shortage or lack of availability of any required raw materials or components, we may be unable to manufacture our units or they may be available only at a higher cost or after a long delay. Such delays could prevent us from delivering units to our customers within required time frames and cause order cancellations. We have had to create our own supply chain for some of the components and materials utilized in our fuel cells. We have made significant expenditures in the past to develop our supply chain. In many cases, we entered into contractual relationships with suppliers to jointly develop the components we needed. These activities are time and capital intensive. Accordingly, the number of suppliers we have for some of our components and materials is limited and, in some cases, sole sourced. Some of our suppliers use proprietary processes to manufacture components. We may be unable to obtain comparable components from alternative suppliers without considerable delay, expense, or at all, as replacing these suppliers could require us either to make significant investments to bring the capability in-house or to invest in a new supply chain partner. Some of our suppliers are smaller, private companies, heavily dependent on us as a customer. If our suppliers face difficulties obtaining the credit or capital necessary to expand their operations when needed, they could be unable to supply necessary raw materials and components needed to support our planned sales and services operations, which would negatively impact our sales volumes and cash flows.

Moreover, we may experience unanticipated disruptions and/or price increases to operations or other difficulties with our supply chain or internalized supply processes due to exchange rate fluctuations, volatility in regional markets from where materials are obtained, changes in the general macroeconomic outlook, global trade disputes, political instability, expropriation or nationalization of property, public health emergencies such as the COVID-19 pandemic, civil strife, strikes, insurrections, acts of terrorism, acts of war, or natural disasters. The failure by us to obtain raw materials or components in a timely manner or to obtain raw materials or components that meet our quantity and cost requirements could impair our ability to manufacture items or increase their costs or service costs of our existing portfolio under maintenance services agreements. If we cannot obtain substitute materials or components on a timely basis or on acceptable terms, we could be prevented from delivering our solution to our customers within required time frames, which could result in sales and installation delays, cancellations, penalty payments, or damage to our reputation, any of which could have a material adverse effect on our business and results of operations. In addition, we rely on our suppliers to meet quality standards, and the failure of our suppliers to meet or exceed those quality standards could cause delays in the delivery of our products, cause unanticipated servicing costs, and cause damage to our reputation.

Our ability to develop new products and enter into new markets could be negatively impacted if we are unable to identify suppliers to deliver new materials and components on a timely basis.

We continue to develop products for new markets and, as we move into those markets, must qualify new suppliers to manufacture and deliver the necessary components required to build and install those new products. Identifying new manufacturing partners is a lengthy process and is subject to significant risks and uncertainties. If we are unable to identify reliable manufacturing partners in a new market, our ability to expand our business could be limited and our financial conditions and results of operations could be harmed.

We face supply chain competition, including competition from businesses in other industries, which could result in insufficient inventory and negatively affect our results of operations.

Certain of our suppliers also supply parts and materials to other businesses including businesses engaged in the production of consumer electronics, satellite components and other industries unrelated to fuel cells. As a relatively low-volume purchaser of certain of these parts and materials, we may be unable to procure a sufficient supply of the items in the event that our suppliers fail to produce sufficient quantities to satisfy the demands of all of their customers, which could materially harm our financial condition and our results of operations.

We, and some of our suppliers, obtain capital equipment used in our manufacturing process from sole suppliers and, if this equipment is damaged or otherwise unavailable, our ability to deliver on time will suffer.

Some of the equipment used to manufacture our products and some of the equipment used by our suppliers have been developed and made specifically for us, are not readily available from multiple vendors, and would be difficult to repair or replace if they did not function properly. If any of these suppliers were to experience financial difficulties or go out of business or if there were any damage to or a breakdown of our manufacturing equipment and we could not obtain replacement equipment in a timely manner, our business would suffer. In addition, a supplier's failure to supply this equipment in a timely manner with adequate quality and on terms acceptable to us could disrupt our production schedule or increase our costs of production and service.

Possible new tariffs could have a material adverse effect on our business.

Our business is dependent on the availability of raw materials and components for our products, particularly electrical components common in the semiconductor industry, specialty steel products and processing and raw materials. Tariffs or other trade protection measures which are proposed or threatened, and the potential escalation of a trade war and retaliation measures could have a material adverse effect on our business, results of operations and financial condition.

To the extent practicable, given the limitations in supply chain previously discussed, although we currently maintain alternative sources for materials, our business is subject to the risk of price fluctuations and periodic delays in the delivery of certain materials, which tariffs may exacerbate. Disruptions in the supply of raw materials and components could temporarily impair our ability to manufacture our solutions for our customers or require us to pay higher prices in order to obtain these raw materials or components from other sources, which could affect our business and our results of operations.

Fusion Fuel Portugal's business plan leverages Portugal's Hydrogen Strategy and Portugal's investment in a green hydrogen economy. If there are any delays in the rollout of legislation or changes to Portugal's Hydrogen Strategy, this could materially impact our business.

Fusion Fuel Portugal has its principal offices in Portugal, and all of its initial projects are located in Portugal and other jurisdictions in Southern Europe. All of our projects in Portugal will be impacted by the Portuguese laws governing the energy sector generally and the use of hydrogen specifically (including whether as a gas or fuel, and as pertains to production, storage, transportation, safety, and taxation). Delays in the rollout of legislation or changes to any existing legislation could have a material financial impact on Fusion Fuel Portugal and could cause delays to on-going projects and negotiations. Furthermore, economic difficulties or political changes in Portugal and other portions of Southern Europe could alter these governments' intentions with respect to projects to which they have not yet formally committed. These same issues could have an impact in any new market into which we enter.

Any disruption to or elimination of Portugal's and Spain´s Hydrogen Strategy and other strategic plans for hydrogen production in could reduce demand for our products, lead to a reduction in our revenues and adversely impact our operating results and liquidity.

We believe that the demand of our hydrogen energy technologies is impacted by Portugal's and Spain´s Hydrogen Strategy and other strategic plans for hydrogen production that are emerging in Europe and around the world. These plans could be reduced or discontinued for other reasons, and the reduction, elimination, or expiration of these plans may result in the diminished economic competitiveness of our products to our customers and could materially and adversely affect the growth of alternative energy technologies, including our products, as well as our future operating results and liquidity.

Our business may become subject to increased government regulation.

Our products are subject to laws and regulations, including, for example, state and local ordinances relating to building codes, public safety, electrical and gas pipeline connections, hydrogen transportation and siting and related matters. In certain jurisdictions, these regulatory requirements may be more stringent than in other jurisdictions. Further, as products are introduced into the market commercially, governments may impose new regulations. We do not know the extent to which any such regulations may impact our ability to manufacture, distribute, install and service our products. Any regulation of our products in any of the jurisdictions in which we intend to operate, including any regulations relating to the production, operation, installation, and servicing of our products may increase our costs and the price of our products, and noncompliance with applicable laws and regulations could subject us to investigations, sanctions, enforcement actions, fines, damages, civil and criminal penalties or injunctions. If any governmental sanctions are imposed, our business, operating results, and financial condition could be materially adversely affected. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, operating results and financial condition.

Risks Relating to Legal Matters and Regulations

We are subject to various environmental laws and regulations that could impose substantial costs upon us and cause delays in the delivery and installation of our units.

We are subject environmental laws and regulations as well as environmental laws in each jurisdiction in which we operate. Environmental laws and regulations can be complex and may often change. These laws can give rise to liability for administrative oversight costs, cleanup costs, property damage, bodily injury, fines, and penalties. Capital and operating expenses needed to comply with environmental laws and regulations can be significant, and violations may result in substantial fines and penalties or third-party damages. In addition, ensuring we are in compliance with applicable environmental laws requires significant time and management resources and could cause delays in our ability to build out, equip and operate our facilities as well as service our fleet, which would adversely impact our business, our prospects, our financial condition, and our operating results. If contamination is discovered in the future at properties formerly owned or operated by us or currently owned or operated by us, or properties to which hazardous substances were sent by us, it could result in our liability under environmental laws and regulations. Many of our customers have high sustainability standards, and any environmental noncompliance by us could harm our reputation and impact a current or potential customer's buying decision. Additionally, in many cases we contractually commit to performing all necessary installation work on a fixed-price basis, and unanticipated costs associated with environmental remediation and/or compliance expenses may cause the cost of performing such work to exceed our revenue. The costs of complying with environmental laws, regulations, and customer requirements, and any claims concerning noncompliance or liability with respect to contamination in the future, could have a material adverse effect on our financial condition or our operating results.

The installation and operation of hydrogen production units and renewable energy systems is subject to environmental laws and regulations in various jurisdictions, and there is uncertainty with respect to the interpretation of how certain environmental laws and regulations apply to our technology, especially as these regulations evolve over time.

We are committed to compliance with applicable environmental laws and regulations including health and safety standards, and we continually review the operation of our units for health, safety, and environmental compliance. Maintaining compliance with laws and regulations can be challenging given the changing patchwork of environmental laws and regulations that prevail at the federal, state, regional, and local level. Most existing environmental laws and regulations preceded the introduction of our innovative fuel cell technology and were adopted to apply to technologies existing at the time (i.e., large coal, oil, or gas-fired power plants). Currently, there is generally little guidance from these agencies on how certain environmental laws and regulations may or may not be applied to our technology. Furthermore, we have not yet determined whether our units will satisfy regulatory requirements in locations in which we do not currently sell our solution but may pursue in the future. While we have determined that the HEVO-Solar units do not present any significant health hazard, based on our modelling, testing methodology, and measurements, we cannot assure you that regulators or governments in the regions where we sell and intend to be present will reach the same conclusions. We may not be able to adapt to changing laws and regulations, or changing interpretations of existing laws and regulations. Any such failure could materially and adversely affect our business, results of operations, and financial condition.

We may become subject to product liability claims which could harm our financial condition and liquidity if we are not able to successfully defend or insure against such claims.

We may in the future become subject to product liability claims. Our technology produces flammable gases and therefore must operate in accordance with the required safety standards and rules applicable in each jurisdiction. These claims could require us to incur significant costs to defend. Furthermore, any successful product liability claim could require us to pay a substantial monetary award. Moreover, a product liability claim could generate substantial negative publicity about our Company and our product, which could harm our brand, our business prospects, and our operating results.

Future litigation or administrative proceedings could have a material adverse effect on our business, our financial condition and our results of operations.

From time to time, we may be involved in legal proceedings, administrative proceedings, claims, and other litigation that could arise in the ordinary course of business. We may incur costs and expenses in connection with defending ourselves or in connection with the payment of any settlement or judgment or compliance with any ruling in connection therewith. The expense of defending litigation may be significant. The amount of time to resolve lawsuits is unpredictable and defending ourselves may divert management's attention from the day to day operations of our business, which could adversely affect our business, financial condition, results of operations and cash flows. Unfavorable outcomes or developments relating to proceedings to which we are a party or transactions involving our products such as judgments for monetary damages, injunctions, or denial or revocation of permits, could have a material adverse effect on our business, our financial condition, and our results of operations. In addition, settlement of claims could adversely affect our financial condition and our results of operations.

In addition, since the HEVO is a new type of product in a nascent market, we may in the future need to seek the amendment of existing regulations, or in some cases the development of new regulations, in order to operate our business in some jurisdictions. Such regulatory processes may require public hearings concerning our business, which could expose us to subsequent litigation.

Changes in tax laws or regulations or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our operating results and financial condition.

As we continue to expand internationally, we will be subject to income taxes in various jurisdictions. Given that the Fusion Fuel's owned plants have a life span of 25 years a number of factors may adversely affect our future effective tax rates, such as the jurisdictions in which our profits are determined to be earned and taxed; changes in the valuation of our deferred tax assets and liabilities; adjustments to estimated taxes upon finalization of various tax returns; changes in available tax credits, grants and other incentives; changes in stock-based compensation expense; the availability of loss or credit carryforwards to offset taxable income; changes in tax laws, regulations, accounting principles or interpretations thereof; or examinations by jurisdictions that disagree with interpretations of tax rules and regulations in regard to positions taken on tax filings. A change in our effective tax rate due to any of these factors may adversely affect our future results from operations.

In addition, as our business grows, we are required to comply with increasingly complex taxation rules and practices. We will be subject to tax in additional jurisdictions as we continue to expand internationally. The development of our tax strategies requires additional expertise and may impact how we conduct our business. If our tax strategies are ineffective or we are not in compliance with domestic and international tax laws, our financial position, operating results and cash flows could be adversely affected.

Risks Relating to our Intellectual Property

Our failure to protect our intellectual property rights may undermine our competitive position, and litigation to protect our intellectual property rights may be costly.

Our ability to compete effectively will depend, in part, on our ability to protect our proprietary technologies and processes. Although we have taken many protective measures to protect our trade secrets including agreements, limited access, segregation of knowledge, password protections, and other measures, policing unauthorized use of proprietary technology can be difficult and expensive. Also, litigation may be necessary to enforce our intellectual property rights, to protect our trade secrets, or to determine the validity and scope of the proprietary rights of others. Such litigation may result in our intellectual property rights being challenged, limited in scope, or declared invalid or unenforceable. We cannot be certain that the outcome of any litigation will be in our favor, and an adverse determination in any such litigation could impair our intellectual property rights, our business, our prospects, and our reputation.

We rely primarily on patent, trade secret, and non-disclosure, confidentiality, and other types of contractual restrictions to establish, maintain, and enforce our intellectual property and proprietary rights. However, our rights under these laws and agreements afford us only limited protection and the actions we take to establish, maintain, and enforce our intellectual property rights may not be adequate. For example, our trade secrets and other confidential information could be disclosed in an unauthorized manner to third parties, our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed, or misappropriated or our intellectual property rights may not be sufficient to provide us with a competitive advantage, any of which could have a material adverse effect on our business, financial condition, or operating results. In addition, the laws of some countries do not protect proprietary rights as fully as do the laws of the United States or countries across Europe. As a result, we may not be able to protect our proprietary rights adequately abroad.

Our patent applications may not result in issued patents, and our issued patents may not provide adequate protection, either of which may have a material adverse effect on our ability to prevent others from commercially exploiting products similar to ours.

We cannot be certain that our pending patent applications will result in issued patents or that any of our issued patents will afford protection against a competitor. The status of patents involves complex legal and factual questions, and the breadth of claims allowed is uncertain. As a result, we cannot be certain that the patent applications that we file will result in patents being issued or that our patents and any patents that may be issued to us in the future will afford protection against competitors with similar technology. In the case of patents to be issued, we do not know that the claims allowed will be sufficiently broad to protect our technology or processes. Even if all of our patent applications are issued and are sufficiently broad, our patents may be challenged or invalidated. We could incur substantial costs in prosecuting or defending patent infringement suits or otherwise protecting our intellectual property rights. Furthermore, even if these patent applications are accepted and the associated patents issued, some foreign countries provide significantly less effective patent enforcement than in the United States or countries across Europe.

In addition, patents issued to us may be infringed upon or designed around by others and others may obtain patents that we need to license or design around, either of which would increase costs and may adversely affect our business, our prospects, and our operating results.

We may need to defend ourselves against claims that we infringed, misappropriated, or otherwise violated the intellectual property rights of others, which may be time-consuming and would cause us to incur substantial costs.

The tools, techniques, methodologies, processes, programs, and components that we use to provide our solutions may infringe upon the intellectual property rights of others. Companies, organizations, or individuals, including our competitors, may hold or obtain patents or other proprietary rights that they may in the future believe are infringed by our products or services. Although we are not currently subject to any claims related to intellectual property, these companies holding patents or other intellectual property rights allegedly relating to our technologies could, in the future, make claims or bring suits alleging infringement, misappropriation, or other violations of such rights, or otherwise assert their rights and by seeking licenses or injunctions. Infringement claims generally result in significant legal and other costs and may distract our management from running our core business. We also generally indemnify our customers against claims that the products we supply infringe, misappropriate, or otherwise violate third party intellectual property rights, and we therefore may be required to defend our customers against such claims. If a claim is successfully brought in the future and we or our products are determined to have infringed, misappropriated, or otherwise violated a third party's intellectual property rights, we may be required to do one or more of the following:

- cease selling or using our products that incorporate the challenged intellectual property;
- pay substantial damages (including treble damages and attorneys' fees if our infringement is determined to be willful);
- obtain a license from the holder of the intellectual property right, which may not be available on reasonable terms or at all; or
- redesign our products or means of production, which may not be possible or cost-effective.

Any of the foregoing could adversely affect our business, prospects, operating results, and financial condition. In addition, any litigation or claims, whether or not valid, could harm our reputation, result in substantial costs and divert resources and management attention. We may need to pursue lawsuits or legal action in the future to enforce our intellectual property rights, to protect our trade secrets, and to determine the validity and scope of the proprietary rights of others. If third parties prepare and file applications for trademarks used or registered by us, we may oppose those applications and be required to participate in proceedings to determine the priority of rights to the trademark. Similarly, competitors may have filed applications for patents, may have received patents and may obtain additional patents and proprietary rights relating to products or technology that block or compete with ours. We may have to participate in interference proceedings to determine the priority of invention and the right to a patent for the technology. Litigation and interference proceedings, even if they are successful, are expensive to pursue and time consuming, and we could use a substantial amount of our management and financial resources in either case.

Confidentiality agreements to which we are party may be breached, and we may not have adequate remedies for any breach. Our trade secrets may also be known without breach of such agreements or may be independently developed by competitors. Our inability to maintain the proprietary nature of our technology and processes could allow our competitors to limit or eliminate any competitive advantages we may have.

Risks Relating to our Financial Condition and Operating Results

We are required to maintain effective internal control over financial reporting. Our management previously identified a material weakness in our internal control over financial reporting as of December 31, 2020. This material weakness was still under remediation as of December 31, 2022. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results.

As a public company, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, and the rules and regulations of the applicable listing standards of the Nasdaq Global Market. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our consolidated financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could also adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our ordinary shares. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the Nasdaq Global Market.

Pursuant to Section 404 of the Sarbanes-Oxley Act, this Annual Report on Form 20-F includes a report by our management on our internal control over financial reporting. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. In connection with achieving compliance with Section 404 within the prescribed period, we engaged in a process to document and evaluate our internal control over financial reporting, which was both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting.

Our management previously identified material weaknesses in our internal control over financial reporting primarily related to (i) clearly defined control processes, roles and segregation of duties and sufficient financial reporting and accounting personnel within our business processes to ensure appropriate financial reporting, and (ii) the design and operating effectiveness of IT general controls for information systems that are significant to the preparation of our consolidated financial statements. We have worked to remediate these material weaknesses and other deficiencies. We re-designed key processes and included significant measures to develop an effective internal control over financial reporting. In implementing these processes, we have engaged the assistance of external advisors with expertise in these matters. Additionally, we have and continue to train our accounting and finance staff and hired financial reporting personnel to develop and implement appropriate internal controls and reporting procedures. These remediation measures, which continue as of December 31, 2022 have been time consuming and costly and there is no assurance that these initiatives will remediate all issues.

Moreover, because of the inherent limitations of any control system, material misstatements due to error or fraud may not be prevented or detected and corrected on a timely basis, or at all. If we are unable to provide reliable and timely financial reports in the future, our business and reputation may be further harmed. Failures in internal control may also cause us to fail to meet reporting obligations, negatively affect investor confidence in our management and the accuracy of our financial statements and disclosures, or result in adverse publicity and concerns from investors, any of which could have a negative effect on the price of our securities, subject us to regulatory investigations and penalties or shareholder litigation, and have a material adverse impact on our financial condition.

Our financial condition and results of operations and other key metrics are likely to fluctuate on a quarterly basis in future periods, which could cause our results for a particular period to fall below expectations, resulting in a severe decline in the price of the Class A Ordinary Shares and Warrants.

Our financial condition and results of operations and other key metrics may fluctuate due to a variety of factors, many of which are beyond our control. For example, the amount of product revenue we will recognize in a given period is materially dependent on the volume of installations of our units in that period and the type of financing used by the customer.

In addition to the other risks described herein, the following factors could also cause our financial condition and results of operations to fluctuate on a quarterly basis:

- the timing of installations, which may depend on many factors such as availability of inventory, product quality or performance issues, or local permitting requirements, utility requirements, environmental, health, and safety requirements, weather, and customer facility construction schedules;
- size of particular installations and number of sites involved in any particular quarter;
- the mix in the type of purchase or financing options used by customers in a period, the geographical mix of customer sales, and the rates of return required by financing parties in such period;
- whether we are able to structure our sales agreements in a manner that would allow for the product and installation revenue to be recognized upfront at acceptance;

- delays or cancellations of installations;
- fluctuations in our service costs, particularly due to unexpected costs of servicing and maintaining our products;
- weaker than anticipated demand for our solutions due to changes in government incentives and policies or due to other conditions;
- fluctuations in our research and development expense, including periodic increases associated with the pre- production qualification of additional tools as we expand our production capacity;
- interruptions in our supply chain;
- the length of the sales and installation cycle for a particular customer;
- the timing and level of additional purchases by existing customers;
- unanticipated expenses or installation delays associated with changes in governmental regulations, permitting requirements by local authorities at particular sites, utility requirements and environmental, health, and safety requirements;
- disruptions in our sales, production, service or other business activities resulting from disagreements with our labor force or our inability to attract and retain qualified personnel;
- unanticipated changes in federal, state, local, or foreign government incentive programs available for us, our customers, and tax equity financing parties; and
- the ability of counterparties to Hydrogen Power Purchase Agreements ("PPAs") to fulfil their purchase contracts and payment plans and timely pay invoices as they become due.

Fluctuations in our operating results and cash flow could, among other things, give rise to short-term liquidity issues. In addition, our revenue, key operating metrics, and other operating results in future quarters may fall short of the expectations of investors and financial analysts, which could have an adverse effect on the price of the Class A Ordinary Shares or Warrants.

If we fail to manage our growth effectively, our business and operating results may suffer.

Our current growth and future growth plans may make it difficult for us to efficiently operate our business, challenging us to effectively manage our capital expenditures and control our costs while we expand our operations to increase our revenue. If we experience a significant growth in orders without improvements in automation and efficiency, we may need additional manufacturing capacity and we and some of our suppliers may need additional and capital intensive equipment. Any growth in manufacturing must include a scaling of quality control as the increase in production increases the possible impact of manufacturing defects. In addition, any growth in the volume of sales of our units may outpace our ability to engage sufficient and experienced personnel to manage the higher number of installations and to engage contractors to complete installations on a timely basis and in accordance with our expectations and standards. Any failure to manage our growth effectively could materially and adversely affect our business, our prospects, our operating results, and our financial condition. Our future operating results depend to a large extent on our ability to manage this expansion and growth successfully.

The accounting treatment related to our revenue-generating transactions is expected to be complex, and if we are unable to attract and retain highly qualified accounting personnel to evaluate the accounting implications of our complex or non-routine transactions, our ability to accurately report our financial results may be harmed.

Our revenue-generating transactions include traditional leases, Managed Services Agreements, technology sales and PPA transactions, all of which will be accounted for differently in our financial statements in future years. Many of the accounting rules related to our financing transactions are complex and require experienced and highly skilled personnel to review and interpret the proper accounting treatment with respect thereto. If we are unable to recruit and retain personnel with the required level of expertise to evaluate and accurately classify our revenue-producing transactions, our ability to accurately report our financial results may be harmed.

Changes in or new interpretations of tax law and currency/repatriation controls could impact the determination of our income tax liabilities for a tax year.

We are subject to the jurisdiction of taxing authorities in all countries in which we operate. The income earned in these various jurisdictions may be taxed on differing bases, including net income actually earned, net income deemed earned, and revenue-based tax withholding. The final determination of our income tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in or new interpretations of tax law and currency/repatriation controls, could impact the determination of our income tax liabilities for the tax year.

Parent expects to experience foreign currency gains and losses. Fluctuations in currency exchange rates can adversely affect its profitability.

Parent expects to incur foreign currency transaction gains and losses, primarily related to foreign currency exposures that may arise from its financial reporting in euros and holding significant assets in U.S. dollars.

A sizeable portion of Parent's consolidated operating expenses is in foreign currencies. As a result, Parent will be subject to potential limitations that might be imposed on its ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries.

Risks Relating to our Operations

If Fusion Fuel is unable to attract and retain key employees and hire qualified management, technical, engineering, and sales personnel, our ability to compete and successfully grow our business could be harmed.

We believe that our success and our ability to reach our strategic objectives are highly dependent on the contributions of our key management, technical, engineering, and sales personnel. The loss of members of Fusion Fuel's senior management team and other key employees, whether voluntarily or involuntarily, could significantly limit Fusion Fuel's ability to achieve its strategic objectives by delaying the development and introduction of its products and services and negatively impact our business, prospects, and operating results. Our future success also depends on Fusion Fuel's ability to attract, retain and motivate highly skilled employees, particularly employees with electrical and/or mechanical engineering skills or gas management specialties that would enable Fusion Fuel to effectively deliver its green hydrogen solutions to its clients on time and on budget, as well as client relationship managers with relevant regional and international experience. Competition for these executives in Fusion Fuel's industry is intense and Fusion Fuel may experience difficulty in recruiting and retaining such individuals. Many of the companies with which Fusion Fuel competes for experienced executives and key personnel also have greater resources than it has. As a result, Fusion Fuel may be unable to attract or retain the green energy industry professionals that are critical to its success, resulting in harm to its key client relationships, loss of key information, expertise or know-how and unanticipated recruitment and retaining costs. Additionally, our ability to achieve revenue growth in the future will depend, in part, on Fusion Fuel's success in recruiting and retaining client development executives. Such executives may require significant on-boarding time and effort in order to achieve full productivity which may impair business and revenue growth. Additionally, the loss of the services of Fusion Fuel's senior management could make it more difficult to successfully operate its business and pursue Fusion Fuel's business goals. In addition, we do not have "key person" life insurance policies covering any of Fusion Fuel's officers or other key employees.

A breach or failure of our networks or computer or data management systems could damage our operations and our reputation.

Our business is dependent on the security and efficacy of our networks and computer and data management systems. For example, all of our hydrogen production units are connected to and controlled and monitored by our centralized remote monitoring service, and we rely on our internal computer networks for many of the systems we use to operate our business generally. Although we take protective measures and endeavor to modify them as circumstances warrant, the security of our infrastructure, including the network that connects our plants to the remote monitoring service, may be vulnerable to breaches, unauthorized access, misuse, computer viruses, or other malicious code and cyber-attacks that could have a material adverse impact on our business. A breach or failure of our networks or computer or data management systems due to intentional actions such as cyber-attacks, negligence, or other reasons could seriously disrupt our operations or could affect our ability to control or to assess the performance of our units in the field and could result in disruption to our business and potentially legal liability. In addition, if certain of our IT systems failed, our production line might be affected, which could impact our business and operating results. These events, in addition to impacting our financial results, could result in significant costs or reputational consequences.

Parent is a holding company. Its material assets are its cash balances and equity interest in its direct and indirect subsidiaries and it is accordingly dependent upon distributions from them to pay taxes and cover its corporate and other overhead expenses.

We are a holding company and will have no material assets other than our cash balances and equity interest in our direct and indirect subsidiaries. We have no independent means of generating revenue. To the extent that we need funds and a subsidiary is restricted from making such distributions or payment under applicable law or regulation or under the terms of any financing arrangements due to restrictive covenants or otherwise, or are otherwise unable to provide such funds, our liquidity and financial condition could be materially adversely affected.

Fusion Fuel's ability to generate revenues is substantially dependent upon it entering into satisfactory hydrogen purchase agreements with third parties.

Fusion Fuel plans to own and operate some of the hydrogen farms it develops and will require a hydrogen off-taker (a buyer) to purchase the green hydrogen produced as an output over the first 10-15 years of the hydrogen projects developed. Notwithstanding that Fusion Fuel has entered into some commercial arrangements to date, there is no guarantee that future satisfactory commercial arrangements with third parties for its green hydrogen solutions will be entered into. Because Fusion Fuel's business plan is substantially dependent on it entering into hydrogen purchase and technology sale agreements with third parties, if Fusion Fuel is unable to enter into such agreements, its results of operations and financial condition would suffer.

Fusion Fuel's activities are subject to a number of development risks, operational hazards, regulatory approvals and other risks which may not be fully covered by insurance, and which could cause cost overruns and delays that could have a material adverse effect on its business, results of operations, financial condition, liquidity and prospects.

Siting, development, and delivery of Fusion Fuel's green hydrogen solution are subject to the risks of delay or cost overruns inherent in any industrial development project resulting from numerous factors, including but not limited to the following:

- Difficulties or delays in obtaining, or failure to obtain, sufficient debt or equity financing on reasonable terms;
- Failure to obtain all necessary government and third-party permits, approvals and licenses for the construction and operation of any of the proposed facilities;
- Failure to secure land plots and offshore sites required for the siting and construction of any of the proposed facilities;
- Failure to enter into power purchase agreements with clients that generate sufficient revenue to support the financing and operation of the project;
- Difficulties in engaging qualified contractors necessary to the construction of the contemplated project;
- Shortages of equipment, material or skilled labor;
- Natural disasters and catastrophes, such as hurricanes, explosions, fires, floods, industrial accidents, hostile military action and terrorism;

- Unscheduled delays in the delivery of ordered materials;
- Work stoppages, industrial and labor disputes;
- Competition with other domestic and international hydrocarbon fuel suppliers and alternative energy providers;
- Political and regulatory change in the countries in which Parent or any subsidiary of Parent operates;
- Unanticipated changes in domestic and international marked demand for and supply of green hydrogen, which will depend in part on supplies of and prices for alternative energy sources, coal, natural gas, LNG, crude oil and diesel, and the discovery of new sources of natural resources; and
- Adverse general economic conditions.

Delays beyond the estimated development periods, as well as cost overruns, could increase the cost of completion beyond the amounts that are currently estimated, which could require Parent to obtain additional sources of financing to fund the activities until the proposed project operational (which could cause further delays). The need for more financing may also make the project uneconomic. Delays could also trigger penalties or termination of our agreements with third parties, cause a delay in receipt of revenues projected from the Project or cause a loss of one or more clients. As a result, any significant delay, whatever the cause, could have a material adverse effect on Parent's business, results of operations, financial condition, liquidity and prospects.

Increases in costs, disruption of supply or shortage of raw materials, including membranes and concentrating lenses, could harm our business.

We may experience increases in the cost or a sustained interruption in the supply or shortage of raw materials, including membranes, concentrating lenses, semiconductors, and integrated circuits. Any such increase or supply interruption could materially impact our business, prospects, financial condition and operating results. We have experienced, and may continue in the future to experience, certain supply chain constraints, including with respect to membranes, concentrating lenses, integrated circuits, and displays. Certain production-ready components such as chipsets and displays may not arrive at our facilities in accordance with our production schedule, which has and may continue to cause delays in testing and qualification of these components, which would in turn create a delay in the availability of our units.

We use various raw materials including aluminum, steel, carbon fiber, non-ferrous metals (such as copper), and cobalt. The prices for these raw materials, as well as other components such as membranes and concentrating lenses, fluctuate depending on market conditions and global demand and could adversely affect our business and operating results.

Any disruption in the supply of components such as membranes, concentrating lenses, semiconductors, or integrated circuits could temporarily disrupt our production until a different supplier is fully qualified. Furthermore, fluctuations or shortages in petroleum and other economic conditions may cause us to experience significant increases in freight charges and raw material costs. Substantial increases in the prices for our raw materials and key components would increase our operating costs and could reduce our margins if the increased costs cannot be recouped through increased hydrogen prices. There can be no assurance that we will be able to recoup increasing costs of raw materials by increasing green hydrogen prices.

We may experience significant delays in the design, manufacture, launch, and financing of our technology, including in the build out of our manufacturing plant, which could harm our business and prospects.

Any delay in the financing, design, manufacture, and launch of our product, including the build-out of our manufacturing plant in Benavente, could materially damage our brand, business, prospects, financial condition, and operating results. Machinery manufacturers often experience delays in the design, manufacture, and commercial release of new and made-to-order products. To the extent the launch of our manufacturing plant is delayed, our growth prospects could be adversely affected as we may fail to grow our market share. Furthermore, we rely on third party suppliers for the provision and development of many of the key components and materials we use. To the extent our suppliers experience any delays in providing us with or developing necessary components, we could experience delays in delivering on our timelines.

If our manufacturing plant in Benavente becomes inoperable, we will be unable to produce our electrolyzers and our business will be harmed.

We expect to produce a large portion of our electrolyzers at our manufacturing plant in Benavente after completion of the plant. Our plant and the equipment we use to manufacture our electrolyzers would be costly to replace and could require substantial lead time to replace and qualify for use. Our plant may be harmed or rendered inoperable by natural or man-made disasters, including earthquakes, flooding, fire and power outages, or by health epidemics, such as the COVID-19 pandemic, which may render it difficult or impossible for us to manufacture our electrolyzers for some period of time. The inability to produce our electrolyzers or the backlog that could develop if our manufacturing plant is inoperable for even a short period of time may result in the loss of customers or harm our reputation. Although we maintain insurance for damage to our property and the disruption of our business, this insurance may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, if at all. While we maintain the relationship with outsourced production partners, like MagP, a small amount of units potentially would still be delivered, but this would be unable to cover the projected production requirements if Benavente were to become inoperable.

Our business is subject to the risks of earthquakes, fires, floods, tsunamis, pandemics, and other natural catastrophic events and to interruption by man-made problems such as technogenic catastrophic events, computer viruses or terrorism.

Fusion Fuel's facilities and operations are vulnerable to damage or interruption from earthquakes, fires, floods, pandemics, power losses, natural gas explosions, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins and similar events. For example, a significant natural disaster, such as a hurricane, earthquake, tsunami or flood, could have a material adverse effect on our business, results of operations and financial conditions, and our insurance coverage may be insufficient to compensate us for losses that may occur. In addition, acts of terrorism, which may be targeted at power stations as crucial elements of a country's infrastructure, could cause disruptions in Fusion Fuel's or its clients' business or the economy as a whole. Green hydrogen energy transport IT infrastructure may also be vulnerable to computer viruses, break-ins, denial-of-service attacks and similar disruptions from unauthorized tampering with Fusion Fuel's or its clients' IT systems, which could lead to interruptions, delays and loss of critical data. We may not have sufficient protection or recovery plans in the event such a disaster should occur. As Fusion Fuel relies heavily on physical infrastructure, computer and communications systems to conduct its business, such disruptions could negatively impact its ability to run its business and either directly or indirectly disrupt its clients' or supplier's businesses, which could have a material adverse effect on our business, results of operations and financial condition.

Cybersecurity risks and threats could adversely affect our business.

We rely heavily on information technology networks and systems, including the Internet, to process, transmit and store electronic and financial information and to manage a variety of business processes and activities, including communication with our production, manufacturing, financial, logistics, sales, marketing and administrative functions. Additionally, we collect and store data that is sensitive to us and to third parties. Operating these information technology networks and systems and processing and maintaining this data, in a secure manner, are critical to our business operations and strategy. We depend on our information technology infrastructure to communicate internally and externally with employees, customers, suppliers and others. We also use information technology networks and systems to comply with regulatory, legal and tax requirements and to operate our hydrogen farms. These information technology systems, many of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to failures during the process of upgrading or replacing software databases or components thereof, power outages, hardware failures, computer viruses, attacks by computer hackers or other cybersecurity risks, telecommunication failures, user errors, natural disasters, terrorist attacks or other catastrophic events. If any of our significant information technology systems suffer severe damage, disruption or shutdown, and our disaster recovery and business continuity plans do not effectively resolve the issues in a timely manner, our product sales, financial condition and results of operations may be materially and adversely affected, and we could experience delays in reporting our financial results, or our hydrogen farm operations may be disrupted, exposing us to performance penalties under our contracts with customers and potential loss of our intellectual property.

In addition, information technology security threats — from user error to cybersecurity attacks designed to gain unauthorized access to our systems, networks and data — are increasing in frequency and sophistication. Cybersecurity attacks may range from random attempts to coordinated and targeted attacks, including sophisticated computer crime and advanced persistent threats. In addition, as a result of the COVID-19 pandemic, the increased prevalence of employees working from home may exacerbate the aforementioned cybersecurity risks. These threats pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data.

Cybersecurity attacks could also include attacks targeting customer data or the security, integrity and/or reliability of the hardware and software installed in our products. We have experienced, and may continue to experience in the future, cybersecurity attacks that have resulted in unauthorized parties gaining access to our information technology systems and networks. However, to date, no cybersecurity attack has resulted in any material loss of data, interrupted our day-to-day operations or had a material impact on our financial condition, results of operations or liquidity. While we actively manage information technology security risks within our control, there can be no assurance that such actions will be sufficient to mitigate all potential risks to our systems, networks and data. In addition to the direct potential financial risk as we continue to build, own and operate generation assets, other potential consequences of a material cybersecurity attack include reputational damage, litigation with third parties, disruption to systems, unauthorized release of confidential or otherwise protected information, corruption of data, diminution in the value of our investment in research, development and engineering, and increased cybersecurity protection and remediation costs, which in turn could adversely affect our competitiveness, results of operations and financial condition. The amount of insurance coverage we maintain may be inadequate to cover claims or liabilities relating to a cybersecurity attack.

Additionally, the legal and regulatory environment surrounding information security and privacy in the U.S. and international jurisdictions is constantly evolving. Violation or non-compliance with any of these laws or regulations, contractual requirements relating to data security and privacy, or our own privacy and security policies, either intentionally or unintentionally, or through the acts of intermediaries could have a material adverse effect on our brand, reputation, business, financial condition and results of operations, as well as subject us to significant fines, litigation losses, third-party damages and other liabilities.

If Fusion Fuel is unable to keep pace with technology developments in its industry, this could adversely affect its ability to win, maintain and grow market share.

The alternative energy industry is subject to the introduction of new technologies, some of which may be subject to patent or other intellectual property protections. We intend to introduce and integrate new technologies and procedures used by us and our customers; however, we cannot be certain that we will be able to develop and implement new technologies or services on a timely basis or at an acceptable cost. The alternative energy industry is highly competitive and dominated by a few large players that have resources to invest in new technologies. Our ability to continually provide competitive technology, solutions and services can impact our ability to win, maintain and grow our market share and to negotiate acceptable commercial terms with our potential clients. If we are unable to acquire or develop competitive technology or deliver it to our clients in a timely and cost-competitive manner in the markets we serve, it could adversely affect our financial condition, results of operations and cash flows.

Our growth strategy is aggressive and includes operating in more territories.

Our growth plans include offering standard products to more territories. As such, there are risks of compliance, contract risk, health and safety and managing a global operation. The demand for electrolyzer products generating hydrogen exceeds the Group's ability to match supply, potentially granting an advantage to other competitors who have larger supply capacity or who can ramp up faster. As the business increases its capacity and delivery of products, it will have a greater reliance on third parties for installation and maintenance of critical components, including a reliance on the expertise of its partners. Poor selection / management of suppliers & sub-contractors could lead to supply of sub-standard products or services. This could also lead to contractual risk, health and safety risk and reputational risk for if those suppliers do not have appropriate and effective compliance processes in place to manage those.

Our growth strategies depend in part on our ability to further penetrate markets outside Europe, particularly in markets such as Morocco, Australia, the United States and the Middle East, and involve significantly larger and more complex projects, including ammonia and large-scale hydrogen projects, some in regions where there is the potential for significant economic and political disruptions. We are actively investing large amounts of capital and other resources, in some cases through joint ventures, in developing markets, which we believe to have high growth potential. Our operations in these markets may be subject to greater risks than those faced by our operations in mature economies, including political and economic instability, project delay or abandonment due to unanticipated government actions, inadequate investment in infrastructure, undeveloped property rights and legal systems, unfamiliar regulatory environments, relationships with local partners, language and cultural differences and increased difficulty recruiting, training and retaining qualified employees. In addition, our properties and contracts in these locations may be subject to seizure and cancellation, respectively, without full compensation for loss. Successful operation of facilities or execution of projects may be disrupted by civil unrest, acts of war, nationalization efforts, sabotage or terrorism, and other local security concerns. Such concerns may require us to incur greater costs for security or require us to shut down operations for a period.

Furthermore, because a significant portion of our revenue is expected to be generated from sales outside Europe, we are exposed to fluctuations in foreign currency exchange rates. Our business is primarily exposed to translational currency risk as the results of our foreign operations are translated into Euro at current exchange rates throughout the fiscal period.

We are subject to extensive government regulation in the jurisdictions in which we do business. Regulations addressing, among other things, import/export restrictions, anti-bribery and corruption, and taxes, can negatively impact our financial condition, results of operation, and cash flows.

We are subject to government regulation in Europe and in the foreign jurisdictions where we conduct business. The application of laws and regulations to our business is sometimes unclear. Compliance with laws and regulations may involve significant costs or require changes in business practices that could result in reduced profitability. If there is a determination that we have failed to comply with applicable laws or regulations, we may be subject to penalties or sanctions that could adversely impact our reputation and financial results. Compliance with changes in laws or regulations can result in increased operating costs and require additional, unplanned capital expenditures. Export controls or other regulatory restrictions could prevent us from shipping our products to and from some markets or increase the cost of doing so. Changes in tax laws and regulations and international tax treaties could affect the financial results of our businesses. Increasingly aggressive enforcement of anti-bribery and anti-corruption requirements could subject us to criminal or civil sanctions if a violation is deemed to have occurred. Such restrictions may provide a competitive advantage to competitors who are not subject to comparable restrictions or prevent us from taking advantage of growth opportunities.

Parent's failure to comply with complex U.S. and foreign laws and regulations could have a material adverse effect on its operations.

We are subject to complex U.S. and foreign laws and regulations, such as the U.S. Foreign Corrupt Practices Act, the U.S. Foreign Account Tax Compliance Act, and various other anti-bribery and anti-corruption laws. We may also be subject to trade control regulations and trade sanctions laws that restrict the movement of certain goods to, and certain operations in, various countries or with certain persons. The internal controls, policies and procedures, and employee training and compliance programs we expect to implement to deter prohibited practices may not be effective in preventing employees, contractors or agents from violating or circumventing such internal policies or violating applicable laws and regulations. Any determination that we have violated or are responsible for violations of anti-bribery, trade control, trade sanctions or anti-corruption laws could have a material adverse effect on our financial condition and may result in fines and penalties, administrative remedies or restrictions on business conduct, and could have a material adverse effect on our reputation and our business.

We are subject to an increasing sustainability focus.

The increasing environmental, social and governance requirements from governments and customers as well as potential financing restrictions from governments on carbon emitting processes could result in additional supply chain and operational costs. Additionally, business involvement in sensitive environmental, social or governance activities might be negatively perceived and trigger adverse media attention. This could lead to reputational damage and have an impact on achieving our business goals.

Our business and territories that we operate in are subject to changes of regulations, laws and policies.

As a growing company with operations commencing in new territories, we are exposed to various product- and country-related regulations, laws and policies influencing our business activities and processes. We monitor the political and regulatory landscape in all our key markets to anticipate potential problem areas, with the aim of quickly adjusting our business activities and processes to reflect the changed conditions. However, any changes in regulations, laws and policies could adversely affect our business activities and processes as well as our financial condition and results of operations.

Risks Relating to Irish Law

A transfer of Class A Ordinary Shares or Warrants, other than one effected by means of the transfer of book-entry interests in the Depositary Trust Company, may be subject to Irish stamp duty.

The Irish Revenue Commissioners have confirmed that transfers of Class A Ordinary Shares and Warrants effected by means of the transfer of book entry interests in the Depositary Trust Company ("DTC") will not be subject to Irish stamp duty. It is anticipated that the majority of Class A Ordinary Shares and Warrants will be traded through DTC by brokers who hold such shares on behalf of customers. However, if you hold your Class A Ordinary Shares and/or Warrants directly rather than beneficially through DTC, any transfer of your Class A Ordinary Shares and/or Warrants could be subject to Irish stamp duty. Payment of Irish stamp duty is generally a legal obligation of the transferee. The potential for stamp duty could adversely affect the price of your securities.

If the Class A Ordinary Shares or Warrants are not eligible for deposit and clearing within the facilities of DTC, then transactions in the Class A Ordinary Shares and/or Warrants may be disrupted.

The facilities of DTC are a widely-used mechanism that allow for rapid electronic transfers of securities between the participants in the DTC system, which include many large banks and brokerage firms. The Class A Ordinary Shares and the Warrants are eligible for deposit and clearing within the DTC system. On December 10, 2020, we entered into arrangements with DTC whereby we agreed to indemnify DTC for any Irish stamp duty that may be assessed upon it as a result of its service as a depository and clearing agency for the Class A Ordinary Shares and Warrants and, in consideration for such indemnification, DTC agreed to accept the Class A Ordinary Shares and Warrants for deposit and clearing within its facilities.

However, although DTC has initially accepted the Class A Ordinary Shares and Warrants, it generally will have discretion to cease to act as a depository and clearing agency for the Class A Ordinary Shares and/or Warrants. If DTC determines at any time that the Class A Ordinary Shares and/or Warrants are not eligible for continued deposit and clearance within its facilities, then we believe the Class A Ordinary Shares and/or Warrants would not be eligible for continued listing on a U.S. securities exchange and trading in the Class A Ordinary Shares and/or Warrants would be disrupted. While we would pursue alternative arrangements to preserve our listing and maintain trading, any such disruption could have a material adverse effect on the trading price of the Class A Ordinary Shares and/or Warrants.

An investment in the Class A Ordinary Shares may result in uncertain U.S. federal income tax consequences.

An investment in the Class A Ordinary Shares may result in uncertain U.S. federal income tax consequences. See "*Anticipated Material U.S. Federal Income Tax Consequences to U.S. Holders of Parent Securities".* Prospective investors are urged to consult their tax advisors with respect to these and other tax consequences when purchasing, holding and disposing of the Class A Ordinary Shares.

In certain limited circumstances, dividends paid by Parent may be subject to Irish dividend withholding tax.

Parent does not intend to pay dividends on its capital stock in the foreseeable future. If Parent were to declare and pay dividends, in certain limited circumstances, dividend withholding tax (currently at a rate of 25%) may arise in respect of dividends paid on the Class A Ordinary Shares. A number of exemptions from dividend withholding tax exist such that shareholders resident in the U.S. and other exempt countries may be entitled to exemptions from dividend withholding tax.

The Irish Revenue Commissioners have confirmed that shareholders resident in the U.S. that hold their Class A Ordinary Shares through DTC will not be subject to dividend withholding tax, provided the addressees of the beneficial owners of such Class A Ordinary Shares in the records of the brokers holding such Class A Ordinary Shares are recorded as being in the U.S. (and such brokers have further transmitted the relevant information to a qualifying intermediary appointed by Parent). However, other holders of Class A Ordinary Shares may be subject to dividend withholding tax, which could adversely affect the price of their Class A Ordinary Shares.

Dividends received by Irish residents and certain other shareholders may be subject to Irish income tax.

Shareholders entitled to an exemption from Irish dividend withholding tax on dividends received from Parent will not be subject to Irish income tax in respect of those dividends unless they have some connection with Ireland other than their shareholding in Parent (for example, they are resident in Ireland). Shareholders who receive dividends subject to Irish dividend withholding tax will generally have no further liability to Irish income tax on those dividends.

Class A Ordinary Shares or Warrants received by means of a gift or inheritance could be subject to Irish capital acquisitions tax.

Irish capital acquisitions tax ("CAT") could apply to a gift or inheritance of Class A Ordinary Shares or Warrants irrespective of the place of residence, ordinary residence or domicile of the parties. This is because Class A Ordinary Shares and Warrants will be regarded as property situated in Ireland. The person who receives the gift or inheritance has primary liability for CAT. Gifts and inheritances passing between spouses are exempt from CAT. Children have a tax-free threshold of €335,000 in respect of taxable gifts or inheritances received from their parents.

It is recommended that each shareholder consult his or her own tax advisor as to the tax consequences of holding Class A Ordinary Shares and Warrants in, and receiving distributions from, Parent.

Provisions in our Memorandum and Articles of Association and under Irish law could make an acquisition of us more difficult, may limit attempts by our shareholders to replace or remove our management, may limit shareholders' ability to obtain a favorable judicial forum for disputes with directors, officers, or employees, and may limit the market price of the Class A Ordinary Shares and/or Warrants.

Provisions in our Memorandum and Articles of Association ("M&A") may have the effect of delaying or preventing a change of control or changes in our management. The M&A includes provisions that:

- require that Parent's board of directors is classified into three classes of directors with staggered three-year terms; and
- permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships.

As an Irish public limited company, certain capital structure decisions regarding Parent will require the approval of the shareholders of Parent, which may limit Parent's flexibility to manage its capital structure.

Irish law generally provides that a board of directors may allot and issue shares (or rights to subscribe for or convert into shares) if authorized to do so by a company's constitution or by an ordinary resolution. Such authorization may be granted for up to the maximum of a company's authorized but unissued share capital and for a maximum period of five years, at which point it must be renewed by another ordinary resolution. Parent's M&A authorizes the board of directors of Parent to allot shares up to the maximum of Parent's authorized but unissued share capital until December 31, 2023. This authorization will need to be renewed by ordinary resolution upon its expiration and at periodic intervals thereafter. Under Irish law, an allotment authority may be given for up to five years at each renewal, but governance considerations may result in renewals for shorter periods or for less than the maximum permitted number of shares being sought or approved.

While Irish law also generally provides shareholders with pre-emptive rights when new shares are issued for cash, it is possible for Parent's M&A, or for shareholders of Parent in a general meeting, to exclude such pre-emptive rights. Parent's M&A excludes pre-emptive rights until December 31, 2023. This exclusion will need to be renewed by special resolution upon its expiration and at periodic intervals thereafter. Under Irish law, a disapplication of pre-emption rights may be authorized for up to five years at each renewal, but governance considerations may result in renewals for shorter periods or for less than the maximum permitted number of unissued shares being sought or approved.

Attempted takeovers of Parent will be subject to the Irish Takeover Rules and will be under the supervisory jurisdiction of the Irish Takeover Panel. Accordingly, Parent's board of directors may be limited by the Irish Takeover Rules in its ability to defend an unsolicited takeover attempt.

Due to the listing of the Class A Ordinary Shares on Nasdaq, Parent is subject to the Irish Takeover Panel Act, 1997, Irish Takeover Rules 2013 ("Irish Takeover Rules"), under which Parent is not be permitted to take certain actions that might "frustrate" an offer for Class A Ordinary Shares once the board of directors has received an offer, or has reason to believe an offer is or may be imminent, without the approval of more than 50% of shareholders entitled to vote at a general meeting of our shareholders or the consent of the Irish Takeover Panel. This could limit the ability of Parent's board of directors to take defensive actions even if it believes that such defensive actions would be in our best interests or the best interests of our shareholders.

The Irish Takeover Rules are administered by the Irish Takeover Panel, which has supervisory jurisdiction over such transactions. Among other matters, the Irish Takeover Rules operate to ensure that no offer is frustrated or unfairly prejudiced and, in situations involving multiple bidders, that there is a level playing field. For example, pursuant to the Irish Takeover Rules, the board of directors of Parent will not be permitted, without shareholder approval, to take certain actions which might frustrate an offer for Parent Shares once the board of directors of Parent has received an approach that might lead to an offer or has reason to believe that an offer is, or may be, imminent.

Under the Irish Takeover Rules, if an acquisition of Class A Ordinary Shares and Class B Ordinary Shares were to increase the aggregate holdings of the acquirer (together with its concert parties) to 30% or more of the voting rights of Parent, such acquirer and, in certain circumstances, its concert parties would be required (except with the consent of the Irish Takeover Panel) to make an offer for the outstanding Class A Ordinary Shares and Class B Ordinary Shares at a price not less than the highest price paid by such acquirer or its concert parties for Parent Shares during the previous 12 months. This requirement would also be triggered by the acquisition of Class A Ordinary Shares and Class B Ordinary Shares by any person holding (together with its concert parties) between 30% and 50% of the voting rights of Parent if the effect of such acquisition were to increase that person's voting rights by 0.05% within a 12-month period.

Anti-takeover provisions in Parent's M&A could make an acquisition of Parent more difficult. Parent's M&A contains provisions that may delay or prevent a change of control, discourage bids at a premium over the market price of Class A Ordinary Shares, adversely affect the market price of Class A Ordinary Shares, and adversely affect the voting and other rights of shareholders of Parent. These provisions include: (i) permitting the board of directors of Parent to issue preference shares without the approval of Parent's shareholders, with such rights, preferences and privileges as they may designate; and (ii) allowing the board of directors of Parent to adopt a shareholder rights plan upon such terms and conditions as it deems expedient in the interests of Parent.

The operation of the Irish Takeover Rules may affect the ability of certain parties to acquire Class A Ordinary Shares.

Under the Irish Takeover Rules if an acquisition of ordinary shares were to increase the aggregate holding of the acquirer and its concert parties to ordinary shares that represent 30% or more of the voting rights of Parent, the acquirer and, in certain circumstances, its concert parties would be required (except with the consent of the Irish Takeover Panel) to make an offer for the outstanding ordinary shares at a price not less than the highest price paid for the ordinary shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of ordinary shares by a person holding (together with its concert parties) ordinary shares that represent between 30% and 50% of the voting rights in Parent if the effect of such acquisition were to increase that person's percentage of the voting rights by 0.05% within a 12-month period. Under the Irish Takeover Rules, certain separate concert parties will be presumed to be acting in concert. The board of directors of Parent and their relevant family members, related trusts and "controlled companies" are presumed to be acting in concert with any corporate shareholder who hold 20% or more of Parent.

The application of these presumptions may result in restrictions upon the ability of any of the concert parties and/or members of Parent's board of directors to acquire more of our securities, including under the terms of any executive incentive arrangements. Accordingly, the application of the Irish Takeover Rules may frustrate the ability of certain of our shareholders and directors to acquire our ordinary shares.

Investors may face difficulties in protecting their interests, and their ability to protect their rights through the U.S. federal courts may be limited, because Parent is formed under Irish law.

Parent is a company formed under the laws of Ireland, all of its properties are located outside of the United States, a majority of our directors and officers reside outside of the United States and all our assets are and are likely in the future to be located outside of the United States. As a result, it may be difficult, or in some cases not possible, for investors in the United States to enforce their legal rights against us, to effect service of process upon our directors or officers or to enforce judgements of United States courts predicated upon civil liabilities and criminal penalties on our directors under United States laws.

Our corporate affairs will be governed by our M&A, the Irish Companies Act and the common law of Ireland. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors to us under Irish law are governed by the Irish Companies Act and the common law of Ireland. The rights of the Parent shareholders and the fiduciary responsibilities of our directors under Irish law may not be as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, Ireland has a less developed body of securities laws as compared to the United States, and some states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law.

The jurisdiction and choice of law clauses set forth in the Amended and Restated Warrant Agreement, and Parent's status as an Irish company, may have the effect of limiting a warrant holder's ability to effectively pursue its legal rights against Parent in any United States court.

The Amended and Restated Warrant Agreement provides that disputes arising under the Amended and Restated Warrant Agreement are governed by New York law and that Parent consents to jurisdiction in courts of the State of New York or the United States District Court for the Southern District of New York. This provision may limit the ability of warrant holders to bring a claim against Parent other than in courts of the State of New York or the United States District Court for the Southern District of New York and may limit a warrant holder's ability to bring a claim in a judicial forum that it finds more favorable for disputes under the Amended and Restated Warrant Agreement. The Amended and Restated Warrant Agreement, however, also expressly makes clear that this choice of law and forum provision shall not restrict a warrant holder from bringing a claim under the Securities Act or the Exchange Act in any federal or state court having jurisdiction over such claim. To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Irrespective of the ability of a warrant holder to bring an action in any such forum, due to the fact that Parent is an Irish company with all of its properties located outside of the United States, if a warrant holder brings a claim against Parent under the Amended and Restated Warrant Agreement, the Securities Act or Exchange Act, or otherwise, such warrant holder may have difficulty pursuing its legal rights against Parent in any United States courts having jurisdiction over any such claims.

Parent may be classified as a passive foreign investment company for U.S. federal income tax purposes, which could result in adverse U.S. federal income tax consequences to U.S. investors in Parent's securities.

Based on the current value of Parent's assets and the composition of Parent's potential income streams, assets and operations, we do not believe Parent classifies as a "passive foreign investment company," or PFIC, for the taxable year ended on December 31, 2022, and that it will not classify as a PFIC for 2022 either. However, the application of the PFIC rules is subject to uncertainty in several respects and furthermore we cannot assure you that the U.S. Internal Revenue Service, the IRS, will not take a contrary position. Furthermore, a separate determination must be made after the close of each taxable year as to whether Parent is a PFIC for that year. Accordingly, notwithstanding the current expectation that we will not be classified as a PFIC, we cannot assure you that we have not been a PFIC or that we will not be a PFIC for our current taxable year or any future taxable year. A non-US company will be considered a PFIC for any taxable year if (i) at least 75% of its gross income is passive income (including interest income), or (ii) at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income. If we were to be ultimately classified as a PFIC for any taxable year during which a U.S. holder holds the Class A Ordinary Shares, certain adverse U.S. federal income tax consequences could apply to such U.S. holder, including (i) the treatment of all or a portion of any gain on disposition of the Class A Ordinary Shares as ordinary income, (ii) the application of a deferred interest charge on such gain and the receipt of certain dividends and (iii) the obligation to comply with certain reporting requirements.

Resales of our Class A Ordinary Shares or Warrants, or the perception that such resales might occur, may cause the market price of the Class A Ordinary Shares or Warrants to drop significantly, even if Fusion Fuel's business is doing well.

As of April 28, 2023 we have an aggregate of 14,532,499 Class A Ordinary Shares and 8,869,633 Warrants outstanding. While a portion of such shares and warrants are subject to transfer restrictions described elsewhere in this Annual Report, upon expiration of the applicable lock-up periods, large amounts of Class A Ordinary Shares and/or Warrants may be sold in the open market or in privately negotiated transactions. Such sales, or the perception in the public markets that such sales will occur, could have the effect of increasing the volatility in the trading price of the Class A Ordinary Shares and/or the Warrants or putting significant downward pressure on the price of the Class A Ordinary Shares and/or the Warrants.

Downward pressure on the market price of the Class A Ordinary Shares and/or the Warrants that likely will result from sales of Class A Ordinary Shares could encourage short sales of Class A Ordinary Shares and/or the Warrants by market participants. Generally, short selling means selling a security, contract or commodity not owned by the seller. The seller is committed to eventually purchase the financial instrument previously sold. Short sales are used to capitalize on an expected decline in the security's price. Short sales of the Class A Ordinary Shares and/or Warrants could have a tendency to depress the price of the Class A Ordinary Shares and/or the Warrants, respectively, which could further increase the potential for short sales.

We also may issue additional Class A Ordinary Shares, Warrants, or other securities to finance our operations. We cannot predict the size of future issuances of Class A Ordinary Shares, Warrants, or other securities or the effect, if any, that future issuances and sales of shares of such securities will have on the market price of the Class A Ordinary Shares or the Warrants. Sales of substantial amounts of Class A Ordinary Shares or Warrants, or the perception that such sales could occur, may adversely affect prevailing market prices of Class A Ordinary Shares and/or Warrants.

A substantial number of our Class A Ordinary Shares may be issued upon the exercise of Warrants and options which could adversely affect the price of our Class A Ordinary Shares.

We have an aggregate of 8,869,633 Warrants outstanding. Each Warrant is exercisable for one Class A Ordinary Share at a price of $11.50 per share. In addition, we have options to purchase an aggregate of 2,128,554 Class A Ordinary Shares outstanding. If all of the Warrants and options are exercised for cash, we would be required to issue up to 10,998,187 Class A Ordinary Shares, or approximately 76% of our Class A Ordinary Shares outstanding as of April 28, 2023. The warrant and option holders will likely exercise such securities only at a time when it is economically beneficial to do so. Accordingly, the exercise of these securities will dilute our other equity holders and may adversely affect the market price of the Class A Ordinary Shares.

We may issue additional Class A Ordinary Shares or other equity securities without seeking shareholder approval, which would dilute your ownership interests and may depress the market price of the Class A Ordinary Shares.

An aggregate of 8,869,633 Warrants is outstanding. In addition, we had 2,245,449 Class A ordinary shares available for issuance, and not subject to outstanding awards, under our Plan. Further, we may issue additional Class A ordinary shares or other equity securities of equal or senior rank in the future for any reason or in connection with, among other things, future acquisitions, the redemption of outstanding Warrants, or repayment of outstanding indebtedness, without shareholder approval, in a number of circumstances.

Our issuance of additional Class A Ordinary Shares or other equity securities of equal or senior rank would have the following effects:

- our existing shareholders' proportionate ownership interest in us will decrease;

- the amount of cash available per share, including for payment of dividends in the future, may decrease;

- the relative voting strength of each previously outstanding Class A Ordinary Share may be diminished; and
- the market price of the Class A Ordinary Shares may decline.

If the Class A Ordinary Shares or Warrants are de-listed from Nasdaq, we could face significant material adverse consequences.

We may be unable to maintain the listing of our Class A Ordinary Shares and Warrants on in the future. If Nasdaq delists our Class A Ordinary Shares or Warrants, we could face significant material adverse consequences, including:

- a limited availability of market quotations for the Class A Ordinary Shares and Warrants;
- a reduced level of trading activity in the secondary trading market for the Class A Ordinary Shares and Warrants;
- a limited amount of news and analyst coverage;
- a decreased ability to issue additional securities or obtain additional financing in the future;
- stamp duty may be chargeable on transfers of Class A Ordinary Shares and Warrants at a rate of 1% of the greater of the price paid or market value of the Class A Ordinary Shares and Warrants transferred; and
- our securities would not be "covered securities" under the National Securities Markets Improvement Act of 1996, which is a federal statute that prevents or pre-empts the states from regulating the sale of certain securities, including securities listed on Nasdaq, in which case our securities would be subject to regulation in each state where we offer and sell securities.

The trading price of the Class A Ordinary Shares or Warrants may be volatile, and holders of the Class A Ordinary Shares or Warrants could incur substantial losses.

The stock market in general has experienced extreme volatility in the wake of recent public health emergencies such as the COVID-19 pandemic and political turmoil such as the war in Ukraine that has often been unrelated to the operating performance of particular companies. As a result of this volatility, our shareholders may not be able to sell their Class A Ordinary Shares or Warrants at or above the price paid for such securities. The market price for the Class A Ordinary Shares and Warrants may be influenced by many factors, including the factors discussed elsewhere in this "Risk Factors" section and:

- the overall performance of the equity markets;
- actual or anticipated fluctuations in our revenue and other operating results;
- changes in the financial projections we may provide to the public or the failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow us or our failure to meet these estimates or the expectations of investors;
- the issuance of reports from short sellers that may negatively impact the trading price of the Class A Ordinary Shares and/or Warrants;
- recruitment or departure of key personnel;
- the economy as a whole and market conditions in our industry;

- stock market price and volume fluctuations of other publicly traded companies and, in particular, those that operate in the green energy or hydrogen industries
- new laws, regulations, subsidies, or credits or new interpretations of them applicable to our business;
- negative publicity related to problems in our manufacturing or the real or perceived quality of our products;
- rumors and market speculation involving us or other companies in our industry;
- announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, or capital commitments;
- lawsuits threatened or filed against us;
- other events or factors including those resulting from war, incidents of terrorism or responses to these events;
- the expiration of contractual lock-up or market standoff agreements;
- sales or anticipated sales of shares of the Class A Ordinary Shares and/or Warrants by us or our shareholders; and
- the impact of a public health crisis, such as the COVID-19 pandemic, or other adverse public health developments.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price of the Class A Ordinary Shares and/or Warrants and trading volume could decline.

The market price for the Class A Ordinary Shares and Warrants depends in part on the research and reports that securities or industry analysts publish about us or our business. If industry analysts cease coverage of us, the trading price for the Class A Ordinary Shares and/or Warrants would be negatively affected. In addition, if one or more of the analysts who cover us downgrade the Class A Ordinary Shares and/or Warrants or publish inaccurate or unfavorable research about our business, the Class A Ordinary Share and/or Warrant price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for the Class A Ordinary Shares and/or Warrants could decrease, which might cause the Class A Ordinary Share and/or Warrant price and trading volume to decline.

An active trading market of the Class A Ordinary Shares and Warrants may not be sustained, and investors may not be able to resell their Class A Ordinary Shares and Warrants at or above the price for which they purchased such securities.

An active trading market for the Class A Ordinary Shares and Warrants may not be sustained. In the absence of an active trading market for the Class A Ordinary Shares and/or Warrants, investors may not be able to sell their Class A Ordinary Shares or Warrants, respectively, at or above the price they paid at the time that they would like to sell. In addition, an inactive market may impair our ability to raise capital by selling shares or equity securities and may impair our ability to acquire business partners by using the Class A Ordinary Shares as consideration, which, in turn, could harm our business.

Because we currently do not have plans to pay cash dividends on the Class A Ordinary Shares, you may not receive any return on investment unless you sell your Class A Ordinary Shares for a price greater than that which you paid.

We currently do not expect to pay any cash dividends on Class A Ordinary Shares. Any future determination to pay cash dividends or other distributions on Class A Ordinary Shares will be at the discretion of the board of directors and will be dependent on our earnings, financial condition, operating results, capital requirements, and contractual, regulatory and other restrictions, including restrictions contained in the agreements governing any existing and future outstanding indebtedness we or our subsidiaries incur, on the payment of dividends by our subsidiaries to us, and other factors that our board of directors deems relevant. As a result, you may not receive any return on an investment in the Class A Ordinary Shares unless you sell the Class A Ordinary Shares for a price greater than that which you paid for them.

General Risks

As a foreign private issuer, we are exempt from a number of rules under the Exchange Act, we are permitted to file less information with the SEC than domestic companies, and we will be permitted to follow home country practice in lieu of the listing requirements of Nasdaq, subject to certain exceptions. Accordingly, there may be less publicly available information concerning us than there is for issuers that are not foreign private issuers.

As a foreign private issuer, we are exempt from certain rules under the Exchange Act, including certain disclosure and procedural requirements applicable to proxy solicitations under Section 14 of the Exchange Act, our board of directors, officers and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act, and we are not required to file periodic reports and financial statements with the SEC as frequently or as promptly as companies whose securities are registered under the Exchange Act but are not foreign private issuers. Foreign private issuers are also not required to comply with Regulation FD, which restricts the selective disclosure of material non-public information. Accordingly, there may be less publicly available information concerning us than there is for companies whose securities are registered under the Exchange Act but are not foreign private issuers, and such information may not be provided as promptly as it is provided by such companies.

In addition, certain information may be provided by us in accordance with Irish law, which may differ in substance or timing from such disclosure requirements under the Exchange Act. As a foreign private issuer, under Nasdaq rules we are subject to less stringent corporate governance requirements. Subject to certain exceptions, the rules of Nasdaq permit a foreign private issuer to follow its home country practice in lieu of certain of the listing requirements of Nasdaq. We have elected to follow corporate governance practices under Irish law in lieu of the requirements of Nasdaq Rule 5635(c) and 5635(d)(2), which require companies to obtain shareholder approval prior to the issuance of securities to officers, directors, employees or consultants under certain circumstances and when it seeks to engage in a transaction, other than a public offering, involving the sale, issuance or potential issuance of ordinary shares, which alone or together with sales by officers, directors or substantial shareholders of the company, equals 20% or more of the ordinary shares or 20% or more of the voting power outstanding before the issuance at a price below a certain price indicated in such Nasdaq Rule. Irish law and generally accepted business practices in Ireland do not require that shareholders approve such transactions. Accordingly, shareholder approval is not required for these types of transactions by Parent.

Parent is an "emerging growth company" and it cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make the Class A Ordinary Shares less attractive to investors.

Parent is an "emerging growth company" as defined in the JOBS Act. As an emerging growth company, Parent is not required to obtain auditor attestation of its reporting on internal control over financial reporting, has reduced disclosure obligations regarding executive compensation and is not required to hold non-binding advisory votes on executive compensation. This allows an emerging growth company to delay the adoption of these accounting standards until they would otherwise apply to private companies. Parent has elected to take advantage of such extended transition period. Parent cannot predict whether investors will find the Class A Ordinary Shares to be less attractive as a result of its reliance on these exemptions. If some investors find the Class A Ordinary Shares to be less attractive as a result, there may be a less active trading market for the Class A Ordinary Shares and the price of the Class A Ordinary Shares may be more volatile.

Parent will remain an emerging growth company until the earliest of: (i) the end of the fiscal year in which Parent has total annual gross revenue of $1.23 billion; (ii) the last day of Parent's fiscal year following the fifth anniversary of the date on which HL consummated its initial public offering; (iii) the date on which Parent issues more than $1.0 billion in non-convertible debt during the preceding three-year period; or (iv) the end of the fiscal year in which the market value of the Parent Ordinary Shares held by non-affiliates exceeds $700 million as of the last business day of its most recently completed second fiscal quarter.

Further, there is no guarantee that the exemptions available to Parent under the JOBS Act will result in significant savings. To the extent that Parent chooses not to use exemptions from various reporting requirements under the JOBS Act, it will incur additional compliance costs, which may impact Parent's financial condition.

We incur significant costs and devote substantial management time as a result of being subject to reporting requirements in the United States, which may adversely affect the operating results of Parent in the future.

As a company subject to reporting requirements in the United States, we incur significant legal, accounting and other expenses that Parent would not have incurred as a private Irish company. For example, Parent is subject to the reporting requirements of the Exchange Act and is required to comply with the applicable requirements of the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as rules and regulations subsequently implemented by the SEC, including the establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Compliance with these requirements increases Parent's legal and financial compliance costs and makes some activities more time consuming and costly, while also diverting management attention. In particular, Parent expects to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act, which will increase when it is no longer an emerging growth company as defined by the JOBS Act.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud.

Effective internal controls over financial reporting are necessary for us to provide reliable and accurate financial reports and effectively prevent fraud. Our compliance with the annual internal control report requirement depends on the effectiveness of our financial reporting and data systems and controls. Inferior internal controls increase the possibility of errors and could cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock and our access to capital.

In addition, our internal control systems rely on people trained in the execution of the controls. Loss of these people or our inability to replace them with similarly skilled and trained individuals or new processes in a timely manner could adversely impact our internal control mechanisms.

Future changes in U.S. and foreign tax laws could adversely affect us.

The U.S. Congress, the Organisation for Economic Co-operation and Development, and government agencies in jurisdictions where we and our affiliates do business have focused on issues related to the taxation of multinational corporations. In particular, specific attention has been paid to "base erosion and profit shifting", where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. As a result, the tax laws in Ireland, Portugal and other countries in which we and our affiliates do business could change on a prospective or retroactive basis, and any such change could adversely affect us.

ITEM 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

Parent was incorporated in Ireland on April 3, 2020 as a private limited company under the name Dolya Holdco 3 Limited. On July 14, 2020, Parent effected a name change to Fusion Fuel Green Limited. On October 2, 2020, Parent converted into a public limited company incorporated in Ireland under the name "Fusion Fuel Green PLC."

On December 10, 2020, Parent completed a business combination pursuant to that certain Amended and Restated Business Combination Agreement ("Business Combination Agreement"), which Parent entered into on August 25, 2020, with HL, Fusion Welcome – Fuel, S.A., a public limited company domiciled in Portugal, *sociedade anónima* (now known as Fusion Fuel Portugal, S.A., "Fusion Fuel Portugal"), Fusion Fuel Atlantic Limited, a British Virgin Islands business company and wholly-owned subsidiary of Parent ("Merger Sub"), and the shareholders of Fusion Fuel Portugal ("Fusion Fuel Shareholders"). Pursuant to the Business Combination Agreement, (i) Merger Sub merged with and into HL (the "Merger"), with HL being the surviving entity of the Merger and becoming a wholly-owned subsidiary of Parent, and (ii) Parent acquired all of the issued and outstanding shares of Fusion Fuel Portugal (the "Share Exchange," and together with the Merger, the "Transactions"), resulting in Fusion Fuel Portugal and HL becoming wholly-owned subsidiaries of Parent and the securityholders of Fusion Fuel Portugal and HL becoming securityholders of Parent. Immediately following the closing of the Transactions, Parent consummated the closing of a series of subscription agreements with accredited investors ("PIPE Investors") for the sale in a private placement of 2,450,000 Class A ordinary shares of Parent ("Class A Ordinary Shares") at a price of $10.25 per share for gross proceeds to Parent of approximately $25.1 million (the "PIPE").

Following the Transactions, HL was dissolved. On April 21, 2021, we formed our U.S. subsidiary, Fusion Fuel USA, Inc. ("Fusion Fuel USA").

Prior to the Transactions, Fusion Fuel Portugal was a subsidiary of Negordy Investments, S.A. (formerly Fusion Welcome) ("Negordy"), a European leader in concentrated photovoltaic technology ("CPV") technology. Since 2008, Negordy and its related parties, have installed over 20 solar CPV plants throughout Europe and the MENA (Middle East and North Africa) region, and over time became the leading CPV solar solution provider in Europe. The management team of Negordy also developed relationships with key stakeholders throughout the energy, regulatory, and commercial spheres. Recognizing the potential of green hydrogen, the management team of Negordy launched a subsidiary, Fusion Fuel Portugal, in July 2018, to begin R&D of an alternative to Brown and Grey Hydrogen, with the goal of minimizing the associated carbon footprint, and to provide a market solution for meeting emissions reduction targets.

Starting with the principle of recovering waste heat from the solar energy conversion process, Fusion Fuel Portugal began to explore possibilities to use this energy to generate green hydrogen. Fusion Fuel Portugal's technology was independently validated by the technology department from Lisbon's Instituto Superior de Técnico (the "University"). The University produced a study commissioned by GALP, a major Portuguese oil and gas multi-national company. The purpose of the study was to perform a technological assessment of the viability of Fusion Fuel Portugal's Hydrogen Generator. The study found that the HEVO-Solar's system presented a "differentiating advantage" with its technology as it has the typical characteristics of a conventional PEM (polymer electrolyte membrane) electrolyzer, but with a reduced size that is compact and integrated in a concentrator photovoltaic system. The reduced size of the electrolyzer allows for thermal and electrical integration through solar concentration directly in the cell. In other similar technologies, the concentrator photovoltaic system is not conducted within the cell. The University study acknowledges that the HEVO-Solar was built with all of the appropriate materials available on the market and that the integration of the solar photovoltaic concentration system with the HEVO (formerly referred to as the DC-PEHG) electrolyzer seems well achieved. Fusion Fuel Portugal did not commission or fund any portion of this study, nor did Fusion Fuel Portugal have any role in selecting the professor that conducted the study, and has obtained permission to use the results of the study.

Fusion Fuel is bringing its proprietary technology to the market after extensive production research and testing, including external green hydrogen purity testing by LAQV Requimte Laboratory to confirm it can be used for all major industrial purposes and targeted key markets. Fusion Fuel Portugal has developed its first green hydrogen plant in Evora, Portugal ("Evora"). In addition, Fusion Fuel has begun to seek to expand its business in Europe, the Middle East and North Africa ("MENA") region and the United States, as also described further below in this section.

Evora

Fusion Fuel's first solar-to-green hydrogen plant, H2Evora, consists of 15 HEVO-Solar generators with the latest generation of Fusion Fuel's HEVO micro-electrolyzer. H2Evora also includes state-of-the-art hydrogen purification, compression, and storage systems, as well as a Ballard Power Systems fuel cell to convert the green hydrogen into electricity to be fed into the national grid.

Installation at H2Evora is complete and our HEVO-Solar generators have been operating since the fourth quarter of 2021. The facility received its long-awaited commissioning in the third quarter of 2022. This was not only the first solar-to-hydrogen plant in Iberia, but also the first plant producing and using green hydrogen as an energy storage medium all in one integrated facility.

Benavente

In the second quarter of 2021, we purchased a 14,000m^3 factory in Benavente, Portugal for €5.0 million, inclusive of taxes. The renovations of the facility in Benavente, which began in late 2021, were completed in the first quarter of 2022.

The second quarter marked the start of the first production lines at our Benavente facility, which will ramp up to around 500 MW over the coming years. It is a major milestone for Fusion Fuel and for Iberia, as the first industrial electrolyzer production to go live across Portugal and Spain. Our vision for Benavente is for it to be an industry-leading, state-of-the-art electrolyzer manufacturing facility, using automation and robotics wherever possible to improve the efficiency of production. In line with our efforts to be a leading clean energy company, we partnered with Helexia to instal 1 MW of solar power on the roof of Benavente, which will not only reduce our carbon footprint, but will also lower our production costs given the exceedingly high cost of energy today.

In the fourth quarter of 2022, we announced we completed our planned sale and leaseback of the Benavente electrolyzer manufacturing factory to CORUM Eurion, an ESG certified real estate investment fund managed by CORUM Asset Management. The €9.3 million transaction generated net proceeds of nearly €7.5 million after certain holdbacks and deposits for the lease-back contract. The proceeds will be used by us to continue the buildout of the Benavente factory, fund the development of Fusion Fuel owned projects and HEVO-Chain technology, as well as for general corporate purposes.

Other Portugal Market Operations and Partnerships

In the first quarter of 2022, the Portuguese government announced the passage of Decree-Law 30-A/2022, which approved a set of measures aimed at accelerating the energy transition by simplifying the procedures for the installation and start-up of renewable energy projects, including green hydrogen production. While the larger projects we have under development are currently not expected to be impacted by this legislation, we believe it will significantly accelerate the permitting process for some of the small-scale projects we are developing, such as refueling stations. Due to the modular nature of our HEVO based solutions and our unique ability to develop small-scale, grid-independent electrolysis economically, we stand to benefit significantly from this new decree. We have spoken at length about the permitting delays we have faced - an unfortunate but natural outcome of a novel technology in a nascent industry - so we are extremely pleased to see that regulators are recognizing the need to streamline the permitting process and fast-track the projects that will help Europe realize its ambitious decarbonization commitments.

During the second quarter of 2021, Fusion Fuel submitted three projects to Portugal's Operational Program for Sustainability and Efficient Use of Resources ("POSEUR"). One of these projects related to a company-owned HEVO-Sul project located in Sines, Portugal. In the second quarter of 2022, we received approval from the POSEUR for the HEVO-Sul project. The Portuguese government has allocated €40 million in direct grants for the POSEUR program, which aims to support the production of green hydrogen and other renewable gases, and Fusion Fuel has been approved for €4.3 million in grant for this project. At the beginning of August 2022, we submitted our first claim under this agreement, which amounted to €2.6 million.

On August 18, 2022, we announced that we were successful with our application under the Component 14 ("C-14") of the Portuguese Recovery and Resilience Plan for our HEVO-Industria project in Sines, Portugal. The award of €10 million marked the largest single-project grant award in the application. Our HEVO-Industria project will consist of around 10 MW of electrolyzer capacity along with a hydrogen refueling station and capabilities for gas blending requirements.

New and Future Markets

United States and North America

Passage of the Inflation Reduction Act ("IRA") in the United States on August 16, 2022, changed the game in our favor. The financial incentives of the IRA, in particular the $3/kg production tax credit, will immediately make our green hydrogen competitive with grey hydrogen. Considering these tailwinds, we communicated our intention to accelerate our growth strategy into North America. To that end, in the third quarter 2022 we announced our first anchor project in the United States, a $180 million, 75 MW solar-to-green hydrogen facility to be located in Bakersfield, California. Due to the unique combination of solar irradiance, the incentives available under California's Low Carbon Fuel Standard program, and proximity to large-scale offtake in the form of logistics hubs, heavy industry, and natural gas infrastructure, Bakersfield is the ideal cornerstone of our North American commercial strategy. The project, which will be jointly developed alongside Electus Energy, will feature a refueling station for heavy duty commercial vehicles, along with the balance of plant equipment for filling and distributing compressed cylinders to supply local industrial customers. We have already obtained the necessary land lease option and commenced pre-feasibility work with Black & Veatch as the lead contractor for the project and are targeting final investment decision on the project in 2025 , with commissioning expected in 2027.

Expansion into North America, beginning with Bakersfield, is a pivotal step forward for Fusion Fuel. To ensure we can deliver on Bakersfield and secure additional development opportunities in this new market, we have begun building out our North American team, with particular focus on our business and project development capabilities. However, both the scale of Bakersfield and the need for the majority of our equipment to be sourced in the US in order to be eligible for the incentives provided by the IRA, will necessitate the development of a manufacturing facility in North America. Given the scope of the addressable market in North America, particularly in light of the anticipated 2024 introduction of the HEVO-Chain, this would lead to a step change in our production capacity over the back half of the decade. We are in the early stages of that process and will continue to update the market as we refine our production strategy.

In the second quarter of 2022, we were also accepted into California Fuel Cell Partnership.

Europe

In Europe we continue to see a severe and prolonged energy crisis. This situation has been triggered by several factors including the conflict in Ukraine and the broader geopolitical tension that it has created, as well as extreme drought conditions in several countries which has dramatically reduced the energy output from hydroelectric power generation. All of this has only increased the importance of an energy source and industrial feedstock that is not only clean and can help reach the carbon reduction targets, but that can also be produced within the European Union. In the recent months we have seen increased public discussions, including from the German Chancellor and the Portuguese and Spanish Prime Ministers, on intra-European pipelines that could also carry clean hydrogen. This year has also seen the most extensive opening of grants and government funding for green hydrogen infrastructure and projects ever in Europe. This is a trend which we believe will persist well into the middle of the decade given the strategic importance of green hydrogen for Europe to help realize its decarbonization and energy security ambitions. We have been fully engaged with the existing programs in Southern Europe and have been incredibly successful in securing support for several industry-leading projects.

We believe the Italian market is a natural extension of our core European business owing to its excellent solar irradiance, existing natural gas infrastructure, proximity to our Benavente production facility, and stated ambition to integrate green hydrogen within its energy portfolio over the coming years.

In that vein, in the third quarter of 2022 we announced a joint agreement with Duferco Energia SpA to extend our reach into Italy. The agreement establishes the framework for developing a commercial pipeline in Italy and select countries in the MENA region for technology sales and project development. Fusion Fuel will utilize Duferco's local sales network, knowledge of local markets, and deep expertise in shipping and logistics while serving as our "boots on the ground" for the development of that market. The first project under the agreement will be a 1.25 MW pilot project at Duferco's industrial facility in Giammoro, Sicily, which would produce an estimated 46 tonnes of green hydrogen per annum and will be developed in 2024. Our strategy is to build on the commercial blueprint we have employed successfully in Portugal and Spain focusing on the mobility and industrial segments. We will look to develop a mobility backbone in Southern Italy, beginning with four integrated solar-to-hydrogen refueling stations by the end of 2024. In parallel, we will pursue opportunities to develop hydrogen hubs around industrial centers in Northern Italy, akin to how we have approached the Sines region in Portugal. One of our initial targets will be to work with Duferco to deploy our HEVO-Chain technology at their steel mill in Brescia, Italy. We are confident this multifaceted strategy, enabled by our best-in-class electrolyzer technology, will facilitate the establishment of Fusion Fuel as an early leader in the Italian green hydrogen market.

Commercialization

In the first quarter of 2022, we formally signed a technology sale agreement with KEME Energy for a 1.2MW green hydrogen facility, which had earlier received approval for €1.4 million in funding from Portugal's POSEUR programme. We also signed a significant framework agreement with Hive Energy, a prominent UK-based developer of renewable energy assets to develop large-scale green hydrogen projects in Spain. These are highly credible and established players in the clean energy space, and we view them – along with Exolum – as strategic partners for Fusion Fuel in the Iberian market. We recognize the importance of aligning Fusion Fuel with strategic partners across the value chain, we expect that to be a key element of our strategy going forward.

We continue to make substantive progress in building strategic relationships which bring additional technical resources and broaden our commercial footprint, including but not limited to the agreements we have entered into with Toshiba (focused on MEA development), Duferco Energia SpA (opening up the Italian market) and Electus Energy (our partner in our recently announced project in Bakersfield, California).

We view partnerships as a powerful tool to create meaningful value for our shareholders, whether through raising our corporate profile, extending our commercial footprint, strengthening our supply chain, or deepening our technology advantage. One example of strategy in action is a memorandum of understanding we recently signed with Toshiba Energy Systems and Solutions Corporation ("Toshiba ESS"). The agreement envisions Fusion Fuel helping Toshiba ESS expand its commercial footprint into the European electrolyzer and green hydrogen markets, and Toshiba ESS supplying Fusion Fuel with its advanced membrane electrode assemblies for evaluation for use in our proprietary HEVO micro-electrolyzer. The most effective alliances are those based on complementary assets and shared advantages, and we certainly believe that that is the case for Toshiba ESS and Fusion Fuel. We look forward to further advancing our relationship with Toshiba ESS over the coming months and, ultimately, helping to create a unique value proposition and durable competitive advantage.

Corporate Information

Parent serves as a holding company for Fusion Fuel Portugal and its subsidiaries. Parent's principal executive office is located at The Victorians, 15-18 Earlsfort Terrace, Saint Kevin's, Dublin 2, D02 YX28, Ireland. Parent's telephone number is +353 1 920 1000.

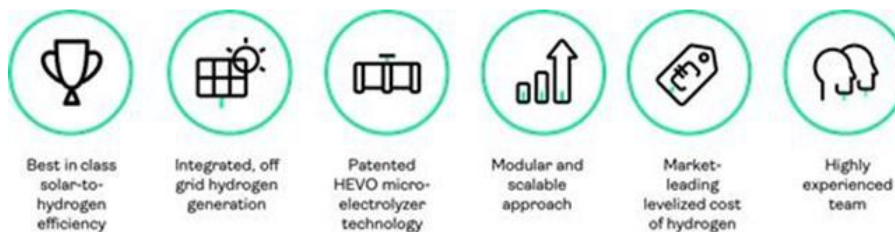
The SEC maintains an internet site (http://www.sec.gov) that contains report, proxy, and information statements and other information regarding issuers that file electronically with the SEC. Such information can also be found on Parent's website (https://www.fusion-fuel.eu/). The information on or accessible through our website is not part of this Annual Report.

B. Business Overview

About Fusion Fuel

Fusion Fuel is committed to accelerating the energy transition and decarbonizing the global energy system by making zero-emissions green hydrogen commercially viable and accessible. Fusion Fuel has developed a revolutionary new electrolyzer design – the HEVO – that will allow it to produce grid-independent green hydrogen more efficiently and cost-effectively than conventional PEM systems, without any associated carbon emissions.

The company's unique competitive advantage is based on the following core attributes, which collectively underpin Fusion Fuel's differentiated positioning in the marketplace:



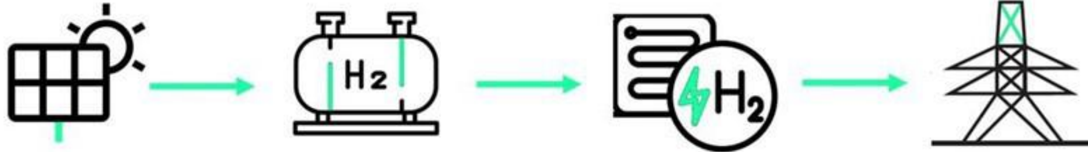
Fusion Fuel's mission is to provide the world with innovative green hydrogen solutions that accelerate the transformation of the global energy sector and enable the sustainable reduction of carbon emissions. Hydrogen is an important commodity for the global economy – it is a critical input in the refining and ammonia production sectors, However, conventional production of hydrogen is highly carbon-intensive, accounting for roughly 2.2% of global total carbon emissions globally. Fusion Fuel's novel green hydrogen production solutions will enable the production of cost competitive green hydrogen and help decarbonize the hard-to-abate sectors like refining and ammonia production.

Examples of Internally Generated Projects

PORTUGAL-H2 EVORA

Fusion Fuel's first solar-to-green hydrogen plant, H2Evora, consists of 15 HEVO-Solar generators with the latest generation of Fusion Fuel's HEVO micro-electrolyzer. H2Evora also includes state-of-the-art hydrogen purification, compression, and storage systems, as well as a Ballard Power Systems fuel cell to convert the green hydrogen into electricity to be fed into the national grid.

Installation at H2Evora is complete and our HEVO-Solar generators have been operating continuously since the fourth quarter of 2021. The facility is currently awaiting formal commissioning. This was not only the first solar-to-hydrogen plant in Iberia, but also the first plant producing and using green hydrogen as an energy storage medium all in one integrated facility.



PORTUGAL-GREENGAS

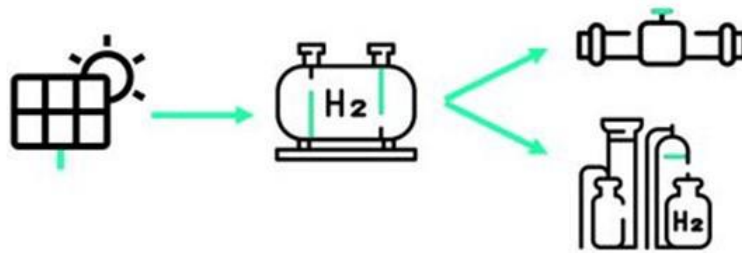
GreenGas project consists of 40 HEVO-Solar generators which will produce approximately 45 tons of green hydrogen per year. The GreenGas plant will be connected to the Autonomous Regasification Unit of the city of Evora.

The green hydrogen produced will demonstrate two use-cases:

- Direct injection into the Evora natural gas network to pilot hydrogen blending – all of the solar tracker structures are already in place, and we are waiting on deployment of the HEVO micro-electrolyzers as well as some Balance of Plant equipment.

- Compression and bottling in cylinders for sale to industrial and mobility users.

This is Portugal's first utility-scale project to produce green hydrogen from solar energy and blend green hydrogen at scale into a local natural gas distribution network. Installation of this facility is currently underway.

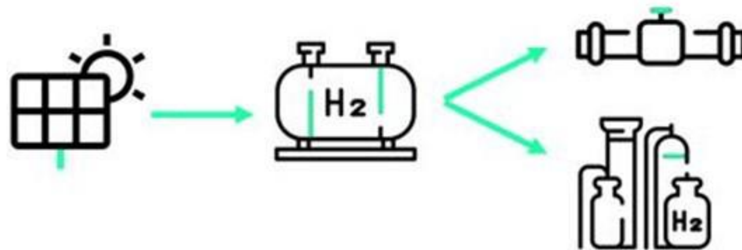


PORTUGAL-HEVO-SUL

The HEVO-Sul project is comprised of 4.3 MW of electrolyzer capacity. The plant will have a maximum annual production capacity of approximately 418 tons of green hydrogen annually, if using both solar and night-time functionality. The facility will be located in Sines, Portugal. The hydrogen is expected to be used for several different applications, including injection into the natural gas distribution network, as an input in the production of green ammonia, as well as bottling in pressurized cylinders for industrial uses.

Fusion Fuel has received approval from Portugal's Operational Program for Sustainability and Efficient Use of Resources (POSEUR) for its proposed HEVO-Sul project. The Portuguese government has allocated €40m in direct grants for the POSEUR program, which aims to support the production of green hydrogen and other renewable gases, and Fusion Fuel has been approved for €4.3m in grant for this project.

The HEVO-Sul project is expected to be built in the second half of 2023.



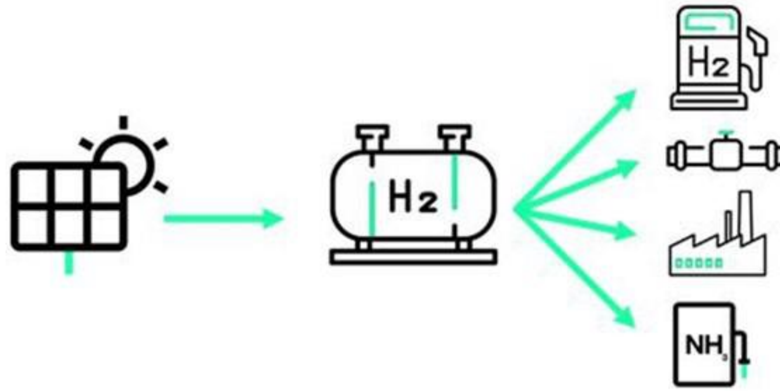
PORTUGAL-H2 HEVO-SINES

Fusion Fuel is leading the 'Sines Green Hydrogen Valley Alliance', a consortium which also includes KEME Energy, Transition2Green, and HyLAB Collaborative Laboratory.

The centerpiece of the initiative is Fusion Fuel's €147m H2 HEVO-Sines project, a 91 MW solar-to-hydrogen plant with an annual production capacity of 9,163 tons of green hydrogen, which would avoid the emission of 73,940 tons of CO_2 annually.

H2 HEVO-Sines is part of a portfolio of projects that comprise Fusion Fuel's large-scale IPCEI project in Sines, which would produce an estimated 61,848 tons of green hydrogen annually, equivalent to 606 MW of electrolysis capacity, once fully ramped up in 2026.

In the third quarter of 2022, we announced that we were successful with our application under C-14 of the Portuguese Recovery and Resilience Plan for our HEVO-Industria project in Sines, Portugal, for around 10 MW of the Sines project portfolio. The award of €10 million marked the largest single-project grant award in the application. In addition, Fusion Fuel has secured over €20m of grants under the C-5 program of Portugal´s Resilience and Recovery Plan for the remainder volume of the project.



OTHER PROJECTS IN PORTUGAL – TECHNOLOGY SALES

SINES GH2 SOLAR

Fusion Fuel is supplying its HEVO-Solar technology to KEME Energy, which is developing a 1.2 MW solar-to-green hydrogen farm in Sines and is expected to produce an estimated 77 tons of green hydrogen per annum.

C-5 ELVAS

Fusion Fuel will be using its HEVO based technology to install a green hydrogen production facility and a Hydrogen Refueling Station (HRS) solution in Elvas, Portugal. The project counts with the partnership of GALP and is expected to be installed in 2024 and has secured a €3.6m grant.

KEY PROJECTS IN SPAIN- TECHNOLOGY SALES

EXOLUM - MADRID

Fusion Fuel has developed a turnkey solar-to-hydrogen plant located in Madrid, Spain for the Spanish fuel logistics and distribution company, Exolum. The project includes 21 HEVO-Solar units along with a co-located refueling station, which will serve as proof of concept of hydrogen for mobility applications. In the third quarter of 2022, we commenced construction on the Exolum project and the project is expected to be commissioned in 2Q of 2023.

CSIC

Fusion Fuel has been selected as the hydrogen production technology provider for a 0.5 MW tender launched by CSIC (Consejo Superior de Investigaciones Cientificas) in Spain. The project includes 22 HEVO-Solar units along with a co-located refueling station (supplied through a separate tender and by another party). The first deliverables for the project are due in 2Q 2023 and Fusion Fuel will supply all materials by the end of 3Q 2023.

OTHER PROJECTS

Fusion Fuel continues to develop projects in Portugal, Spain, Morocco, Australia, and the United States. The development of projects is a key factor in developing our sales pipeline. Projects are all started in a dedicated SPV which can then be transferred at a time that we decide to a financial investor which either buys the ready built plant from Fusion Fuel or takes on the contractual obligation to provide the financing for the technology deployment to the project. Across several markets, Fusion Fuel has around 1.5 GW of projects in pipeline.

Recent Developments

- On May 19, 2022, the Company announced that it had signed a Memorandum of Understanding with Toshiba Energy Systems and Solutions Corporation (“Toshiba ESS”), which provides a framework for the companies to pursue technical and commercial collaboration in the green hydrogen sector. Pursuant to the Memorandum of Understanding, the Company would evaluate the use of Toshiba ESS’ membrane electrode assemblies (“MEAs”) within its HEVO micro-electrolyzers, and Toshiba ESS would explore using the local sales channels it has developed in areas such as the thermal power business to expand sales of the Company’s PEM electrolyzers in Australia and other countries. The two companies also agreed to explore potential collaboration opportunities for future sales of Toshiba ESS’ solid oxide electrolysis cells, which Toshiba ESS targets bringing to market in 2025. The two companies have been working together on the testing and adaption of the Toshiba membrane to fit with the HEVO technology. Testing to determine whether this can be accomplished for mass scale production is expected to be finished in the first quarter of 2023. If it can be accomplished, the parties will look to move to mass scale production during the first half of 2023.

- In June 2022, the Company completed installation of the HEVO production line at the Company’s Benavente facility in Portugal. The Company expects to achieve up to 100 megawatts (“MW”) of installed electrolyzer production capacity in 2023 (when operating with 3 shifts), which is expected to increase to approximately 500 MW in 2025. In November 2022, the Company completed the installation of a 1 MW solar array on the roof of the Benavente factory at its facility.

- In June 2022, the Company engaged TUV SUD, an association of experts that provides safety, security, and sustainability solutions, to perform a twelve-month performance audit of the Company’s HEVO-Solar technology system. As of the most recent interim report provided to the Company in November 2022, the overall system (Solar to Hydrogen) is performing in excess of 15% above the product data sheet specifications. The Company also retained Black & Veatch Management Consulting, LLC to perform an independent assessment of the HEVO-Solar Hydrogen Generator and the Company’s ability to consistently deliver the HEVO-Solar technology with the quality required to meet its technical specifications. That project was successfully completed in August 2022.

- On June 6, 2022, the Company entered into an At the Market Issuance Sales Agreement (the “ATM”) with B. Riley Securities, Inc., Fearnley Securities Inc. and H.C. Wainwright & Co., LLC, for the potential issuance of up to $30 million of the Company’s class A ordinary shares. Between July 11, 2022, and November 14, 2022, the Company sold an aggregate of 681,926 class A ordinary shares pursuant to the ATM for aggregate net proceeds to the Company of $3,685,792.

- On June 23, 2022, the Company announced that its “Sines Green Hydrogen Valley Alliance” had been selected by the Agenda Coordination Commission to advance to final negotiations for grant funding through Component 5 of the Portuguese Recovery and Resilience Plan. The centerpiece of the Sines Green Hydrogen Valley Alliance is the Company’s H2 HEVO-SINES project, a 3,000 HEVO-Solar unit facility – equivalent to 75 MW of electrolysis capacity – that is expected to reach final investment decision in 2024. On December 7, 2022, the Company announced that it had completed the financing discussions and submitted the terms of acceptance for €36 million in grant funding secured by the Sines Green Hydrogen Valley Alliance. Of the €36 million awarded to the consortium, €22.5 million is to be allocated to the Company’s H2 HEVO-SINES project, and €3.5 million is to be allocated to the Company to fund research and development of its proprietary electrolysis technology. The balance of the funding will be allocated to other projects within the Company’s consortium for which the Company is a technology partner, including those sponsored by KEME Energy, Transition2Green, and HyLAB Collaborative Laboratory.

- On August 18, 2022, the Company announced that it had been approved for an estimated €10 million in grant funding through Component 14 of the Portuguese Recovery and Resilience Plan to develop its 6.6MW HEVO-Industria green hydrogen project in Sines, Portugal. The €25 million, 300 HEVO-Solar unit project is expected to reach final investment decision in the first half of 2023.

- On September 29, 2022, the Company announced that it had entered into a €5 million contract with Gedisol Energiá, Sociedad Limitada, a Spanish developer, to supply technology for a 144 HEVO-Solar unit, 3.2 MW green hydrogen project to be developed in Andalucía, Spain, which would produce an estimated 200 tonnes of green hydrogen per year.

- On October 6, 2022, the Company announced that it had entered into a €2 million contract with KEME Energy to supply technology for a 62 HEVO-Solar unit, 1.2 MW green hydrogen project in Sines, Portugal. The Company and KEME had previously announced the execution of a collaboration agreement in February 2022.

- On November 10, 2022, the Company and Ballard Power Systems ("Ballard") announced the successful commissioning of the Company's H2Évora plant. H2Évora is Portugal's first solar-to-green hydrogen facility and first fully integrated hydrogen-to-power demonstration project. The 15 HEVO-Solar unit facility includes a 200-kilowatt FCwaveTM fuel cell module supplied by Ballard, which is used to convert green hydrogen into electricity, enabling the Company to sell power into the electric grid during periods of peak demand.

- On November 18, 2022, the Company announced that it had entered into a commercial agreement with Duferco Energia SpA ("Duferco") to jointly develop the green hydrogen ecosystem in Italy. The inaugural project under the agreement is a 1.25 MW green hydrogen pilot project to be developed at Duferco's industrial site in Giammoro, Sicily. The Company is expected to supply 50 of its HEVO-Solar trackers for the proposed project, which would be installed in the first half of 2024. The broader objective of the commercial agreement is to build a pipeline of project development opportunities and turnkey technology-sale projects, leveraging Duferco's local sales network, knowledge of local markets, and extensive shipping and logistics' expertise.

- On November 23, 2022, the Company introduced its HEVO-Chain system, marking its entry into the centralized electrolyzer market. The HEVO-Chain hydrogen unit consists of 16 HEVO micro-electrolyzers interconnected along a string, representing 11.2 kW of electrolysis capacity and outputting 5.6 kg of hydrogen per day at a pressure of 4 bar. The HEVO-Chain system is designed for a standard 19" rack cabinet, allowing for up to eight units to be integrated seamlessly alongside the power electronics and water purification system. The HEVO-Chain is currently undergoing comprehensive performance and reliability testing and the first units are expected to enter commercial use in the second half of 2024. The Company also submitted a patent application associated with the HEVO-Chain technology.

- On November 28, 2022, the Company announced that it had entered into an exclusive joint venture agreement with Electus Energy to develop a 75 MW, $180 million green hydrogen project in Bakersfield, California. The project would be capable of producing up to 9,300 tons of green hydrogen per year including nighttime operation, and the Company expects to reach final investment decision in early 2024 and commission the project in the first half of 2025. The Bakersfield project is the cornerstone of the Company's US commercial strategy, which is focused on opportunities in hydrogen mobility and logistics.

- On December 7, 2022, Parent announced that it had been approved for a total of €36 million in grant funding for its "Sines Green Hydrogen Valley Alliance" through Component 5 ("C-05") of Portugal´s Recovery and Resilience Plan. The component – Mobilizing Agendas for Business Innovation – is intended to align stakeholders from across the entire value chain to develop the domestic green hydrogen ecosystem. The Company had previously disclosed that it had been selected for financing awards, subject to further negotiations with the Agenda Coordination Commission. These discussions have now been concluded and Fusion Fuel has submitted the respective award contract duly signed and expects to receive the award by mid-January 2023.

  Of the €36 million awarded to the consortium, €22.5 million will be allocated to Fusion Fuel's H2 HEVO-SINES project, a 3,000 HEVO-Solar facility – equivalent to 75 MW of electrolysis capacity – that will be developed, owned, and operated by the company. Fusion Fuel has already secured 121 hectares of land within the Sines area for the development of the project, which is expected to reach final investment decision and commence construction in 2024. The green hydrogen to be produced is expected to be used in decarbonizing local industry, mobility applications, and for blending into the natural gas grid. Another €3.5 million will be allocated to Fusion Fuel to fund research and development of its proprietary electrolysis technology. The balance of the funding will be allocated to other projects within Fusion Fuel's consortium for which the Company is a technology partner, including those sponsored by KEME Energy, Transition2Green, and HyLAB Collaborative Laboratory.

- On December 23, 2022, the Company announced that it had completed a sale and leaseback of its electrolyzer manufacturing factory in Benavente, Portugal to CORUM Eurion, an ESG certified real estate investment fund managed by CORUM Asset Management. The €9.3 million transaction generated net proceeds of nearly €7.5 million after certain holdbacks and deposits for the lease-back contract. The proceeds are expected to be used by the Company to continue the buildout of the Benavente factory, fund the development of Fusion Fuel owned projects and HEVO-Chain technology, as well as for general corporate purposes. Savills Portugal advised the Company on the transaction. The 14,333 sqm factory, which is located in the Vale Tripeiro Industrial Park in Benavente, was originally built in 2004. The site was acquired by Fusion Fuel in 2021 and was fully refurbished by Fusion Fuel as part of its transformation into a world-class PEM electrolyzer manufacturing facility, and now features a 1 MW rooftop solar PV array along with electric vehicle chargers.

- On January 30, 2023, the Company announced that it had signed an offtake agreement with Portuguese natural gas utility provider Dourogás for green hydrogen produced from Fusion Fuel's projects in Portugal. This represents Fusion Fuel's first offtake contract aimed at blending green hydrogen within the Portuguese natural gas grid, and a first-of-its-kind agreement to support the Portuguese government in meeting its decarbonization objectives. Portugal's national hydrogen strategy, adopted in 2020, laid out high-impact targets including a 15% blend of hydrogen in its natural gas distribution network and 2 GW of electrolyzer capacity by 2030. The first hydrogen to be blended will be produced at Fusion Fuel's GreenGas project in Evora. The facility is expected to be commissioned in 2023 and would produce roughly 40 tonnes of green hydrogen per annum. Dourogás will be able to use this hydrogen in its domestic, industrial and mobility NGV segments, sectors where the Dourogás Group is the market leader. Portugal's largest gas distribution network, Galp Gás Natural Distribuição – recently renamed Floene – is expected to build the infrastructure to enable blending in the grid as part of its broader commitment to the energy transition.

- On February 28, 2023, the Company announced that Fusion Fuel Spain had been awarded a grant of €3.3 million towards capital investment in a 2.4 MW green hydrogen project aimed at industrial decarbonization in Spain. The grant has been awarded through the H2 Pioneros Program, to which €150 million had been earmarked to support commercial projects across the renewable hydrogen value chain. H2 Pioneros is one of the first funding calls under the Strategic Projects for Economic Recovery and Transformation ('PERTE') program, a €6.9 billion financing tool created under Spain's recovery and resilience facility to support initiatives in renewable energy, green hydrogen, and energy storage. Fusion Fuel's project is one of only 19 across Spain that were awarded grant financing through H2 Pioneros. The 2.4 MW project is planned to be developed in Toledo and is intended to supply green hydrogen to local industrial customers to replace the carbon-intensive natural gas currently used in industrial processes. The green hydrogen facility will feature the latest generation of Fusion Fuel's HEVO solution and is expected to produce roughly 110 metric tonnes of green hydrogen per annum. The €3.3 million subsidy represents approximately 57% of the total estimated capital cost of the project, which the Company expects to build and commission during 2024.

- On March 7, 2023, the Company and Toyota Material Handling España, S.A. ('TMHES') announced that they have signed a collaboration agreement to promote the development of the green hydrogen fuel cell forklift market in Spain. The collaboration seeks to further strengthen TMHES's leadership position in the domestic zero emissions forklift truck segment by offering end-to-end solutions of fuel cell forklifts combined with green hydrogen production and hydrogen refuelling infrastructure provided by Fusion Fuel Spain and its industrial partners. Fusion Fuel and TMHES will offer a fully financed solution that combines Hydrogen-as-a-Service – guaranteeing security of supply at competitive prices – with TMHES's market-leading operational rental and leasing solutions for their range of forklift products. Both Fusion Fuel and TMHES view the logistics and material handling sector as uniquely well suited to benefit from the advantages of hydrogen energy and consider fuel cell forklift solutions as a critical decarbonization vector, particularly in logistics operations requiring heavy loads and high operating hours. Fusion Fuel and TMHES aim to deploy their green hydrogen solutions to legacy forklift truck fleets, as well as to integrated hydrogen logistics projects that combine the full spectrum of fuel cell vehicles for supply chain, distribution and materials handing operations.

- On March 20, 2023, the Company announced that it had been awarded €3.6 million in grant funding through Component 5 ("C-5") of Portugal's Recovery and Resilience Plan to develop a 1 MW decentralized green hydrogen production facility co-located with a hydrogen refueling station in Elvas, Portugal. Fusion Fuel had previously been awarded €36 million in C-5 funding for its "Sines Green Hydrogen Valley Alliance" consortium.The grant is part of a broader funding award allocated to the Moving2Neutrality Alliance, a consortium of 13 partners spearheaded by Petrogal, a subsidiary of Galp Group, that is focused on solving the challenge of decarbonizing commercial and industrial mobility by developing sustainable fuels production hubs in Sines and other strategic locations in Portugal. Fusion Fuel's project, which will be co-developed with Galp, will serve as the benchmark for exploring the concept of decentralized production of green hydrogen for mobility applications in Portugal and abroad. The facility will be developed in Elvas, on the Portugal-Spain border, strategically located on one of the main freight corridors between the two countries. The project envisions 1 MW of electrolysis capacity, producing up to 400kg of green hydrogen per day, along with the associated balance of plant to achieve the purity and compression required for mobility applications. The facility will also include an integrated hydrogen refueling station intended to serve light and heavy-duty commercial vehicles. Fusion Fuel's scope for the project – green hydrogen production and compression to 40 bar – is expected to require approximately €7.2 million of capital investment.

- On March 28, 2023, the Company announced that it had signed a ten year offtake contract with European developer Hydrogen Ventures Ltd for thirty tonnes of green hydrogen per annum. First orders are expected to be delivered in the fourth quarter of 2023. The hydrogen will be produced at the company's projects in Evora, Portugal, where Fusion Fuel is expanding its production capacity to roughly 50 tonnes per annum by year end. Hydrogen Ventures, which is developing a pipeline of green hydrogen projects and entering into supply contracts with local industrial and municipal customers, expects to use the hydrogen for mobility applications in Portugal. This contract represents Fusion Fuel's second hydrogen purchase agreement in Portugal to date, providing long-term stability and price security to the nascent hydrogen ecosystem: a critical step forward in the creation of a more robust and competitive market for green hydrogen.

Except for the project with Exolum Corporation, S.A. ("Exolum") and the CSIC project previously announced and further discussed herein, the Company is currently under no obligation to proceed with, and therefore no penalties or liabilities would be imposed on the Company with respect to, any of the projects set forth above if the Company determines, for any reason, not to proceed with such project. With respect to projects where the Company or its partners have been awarded grants, they are only required to either proceed or reimburse any funds received if grant funds have actually been transferred to the Company. The Company only commits to a project when definitive contracts with the hydrogen off-taker or the technology buyer are signed. In determining whether to proceed with a project, the Company considers several factors including, but not limited to, timing to completion, project financials and target return, relationship with the partner or client and the production capacity available. Accordingly, other than the Exolum and CSIC projects, there can be no assurance that the Company will actually proceed with any of the projects set forth above.

In addition, as previously announced, we are in continual negotiations with third parties to fund our operations. Although discussions and negotiations continue to progress with such third parties, including in some cases the execution of non-binding letters of intent or term sheets, none have reached the stage of executed definitive agreements at this time. As negotiations are fluid, it is possible that any particular negotiation could accelerate or be abandoned at any time. An announcement of any material agreement with a third party would be made when and if a material definitive agreement is reached with such third party.

Business Strategy & Vision

Fusion Fuel aims to enable meaningful emissions reductions through viable economic means using green hydrogen. In doing so, Fusion Fuel believes it can become a major player in the global hydrogen economy over the next 10 years.

Fusion Fuel aims to develop a technology and project pipeline in Southern Europe and the MENA region as a first phase in its strategy execution, and continue to expand into other strategic markets globally, including Australia and the United States.

Fusion Fuel Business Lines

Fusion Fuel's HEVO based technology is expected to be a leading product in the industry for generating cost-effective green hydrogen in the markets in which it seeks to operate. In addition, the Fusion Fuel team collectively has extensive experience in establishing and operating sustainable energy plants, as well as relationships with many sustainable energy stakeholders and hydrogen users (ranging from natural gas networks and grids, oil refineries, ammonia producers, regulators and related government departments). Fusion Fuel is focused on two core business lines that build on its hydrogen generator.

1. The first business line, "Technology", is focused on creating and selling HEVO based solutions that produce cost-competitive green hydrogen for client use and operation. There are a number of industrial processes that require hydrogen and providers that currently produce their own hydrogen supply through highly carbon-intensive methods. Fusion Fuel intends to equip them with hydrogen generators to produce hydrogen without carbon emissions and with no cost disadvantage. For the years ended December 31, 2022 and 2021, no revenue was generated from this business line. First inflows from this business line have been received in the second quarter of 2023.

2. The second business line, "Project Development", is focused on entering into green hydrogen purchase agreements for the output of hydrogen at competitive prices. The current prices for green hydrogen as well as the prices predicted in the coming years suggest that Fusion Fuel will be able to establish and operate production plants with internal rates of return above 10% and likely in the 15-20% range. The business line creates revenues through two ways, one the sale of green hydrogen which will start in the 2H 2023 (see Hydrogen Purchase Agreements in previous section), the second is through the sale of projects in development which can either generate development fees and/or technology sale pipelines through the supply of units to projects we develop and sell on.

Fusion Fuel's industry and business require continuous innovation and improvement. To this end, the R&D team has already designed the next generations of the hydrogen generator to be developed. This innovation aims at not only improving the efficiency of the product, but also reducing the costs of production. Continuous R&D is a core part of the ongoing strategy for the firm.

The Technology

The HEVO is Fusion Fuel's proprietary miniaturized PEM electrolyzer. It has been designed to be small, lightweight and, critically, able to be mass produced. In order to miniaturize the PEM electrolyzer, a radically different approach was taken to the MEA design, titanium plate designs and overall flow fields in the system – these form the basis of Fusion Fuel´s core intellectual property.

Fusion Fuel uses the HEVO as the basis for its two core products, the HEVO-Solar and the HEVO-Chain.

HEVO-SOLAR™

Integrated solar-to-hydrogen generator

Superior Solar-to-Hydrogen conversion efficiency

Produces ~1 ton p.a. using solar power; can connect to other energy sources for continuous production

Heat recovery drives 14% gain in efficiency and minimized conversion losses due to integration of Concentrated Solar and HEVO micro-electrolyzer

Grid-independent and modular solution, requiring good solar irradiation levels and available land

HEVO-CHAIN™

Modular centralized PEM electrolyzer

Stackable units comprised of strings of interconnected HEVOs; up to 2.5 MW in containerized solution

Modular approach and stackable solution makes it versatile and allows for add-on capacity potential

Location & power agnostic; can be deployed connected to any source of renewable energy

High efficiency, market-leading PEM solution for small to midscale projects

In the HEVO-Solar solution the process is coupled with CPV technology such that system is a grid-independent hydrogen generator. This coupled approach for generating hydrogen significantly increases the total system efficiency, results in a low cost per kilogram of hydrogen produced, and benefits from the high automation level of mass producing the HEVO. Fusion Fuel uses this process to extract hydrogen from water molecules without the creation of any carbon emissions and with oxygen as the only biproduct. Therefore, the output is designated green hydrogen, which is hydrogen created in a fully carbon-free process, as opposed to the traditional methods of creating hydrogen which produce upwards of 9 tons of carbon emissions for every ton of hydrogen produced (designated as “grey hydrogen”).

The HEVO-Solar uses both the electricity produced by the photovoltaic cells and the heat captured from the CPV 2-axis panels, thereby reducing the total amount of electrical energy required for the electrolysis process. This increases the efficiency of the Fusion Fuel solution compared to other current market products. Because the process requires solar irradiation, locations with higher levels of solar irradiation would produce higher amounts of hydrogen on an annual basis at a lower cost per kilogram (as capital expenditure related to the equipment is spread across a larger production output).

The HEVO-Chain uses our HEVO electrolyzers in a chain to create a centralized electrolyzer solution that is modular and can be scaled as needed. We can supply three versions of the HEVO-Chain, 1) a 20-foot containerized solution that can house up to 1 MW of electrolyzer capacity, 2) a 40-foot containerized solution that can house up to 2.5 MW of electrolyzer capacity, and 3) a non-containerized solution that is more cost efficient for larger projects but which requires tailoring according to the project size.

The HEVO-Chain is a revolutionary innovation in the design of centralized PEM electrolyzers. Rather than relying on a traditional cell-stack, the HEVO-Chain builds off Fusion Fuel's proprietary HEVO architecture, enabling the system to operate at higher efficiency – roughly 49 kWh / kg of hydrogen – and avoid the losses that stem from more conventional electrolyzer stack designs. Each HEVO-Chain hydrogen unit consists of 16 HEVO micro-electrolyzers interconnected along a string, representing 11.2 kW of electrolysis capacity and outputting 5.6 kg of hydrogen per day at a pressure of 4 bar. A planned second-generation unit is expected to increase the pressure at the outlet to 20-30 bar, among additional improvements. As with the HEVO-Solar, the HEVO-Chain was built with modularity and scalability in mind – it is designed for a standard 19" rack cabinet, allowing for up to eight units to be integrated seamlessly alongside the power electronics and water purification system. The HEVO-Chain is currently undergoing comprehensive performance and reliability testing. The company expects the first HEVO-Chain units to enter commercial use in 2024.

Working Capital Items

Currently, Fusion Fuel's inventory consists of raw materials purchased for the production of its HEVO-Solar and HEVO-Chain solutions. Fusion Fuel has entered into multiple agreements with MagP, for the assembly and installation of Trackers. Please refer to the Related Party Transactions section of *Item 7 – Major Shareholders and Related Party Transactions* for further information on these agreements.

Distribution, Marketing and Strategic Relationships

Fusion Fuel has established strategic relationships with various stakeholders in the Green Hydrogen market, including partner companies, suppliers, potential clients and government agencies, many (if not all) of which are proprietary in nature and give us our competitive advantage.

Fusion Fuel Portugal has been included in the Portuguese Government's Strategic Roadmap for Hydrogen and has applied for a grant for a Green Hydrogen project in Evora. Discussions with stakeholders are ongoing in Europe, the MENA region, and North America.

Environmental Issues

There are no significant pollutants or other hazardous emissions from Fusion Fuel's operations, the CPV technology, the HEVO or any other functions used by Fusion Fuel in extracting Green Hydrogen, nor are any anticipated. In addition, the are no carbon or hazardous emissions that result from Fusion Fuel's extraction of hydrogen, and the only biproduct of the process is oxygen. As such, we do not expect the Company would be materially impacted by the passage of any climate change legislation, regulation or accords that seek to impose a carbon tax or curtail carbon-intensive business activities. Furthermore, none of the Company's manufacturing or corporate facilities are located in geographies particularly susceptible to geological or climate risks. We expect that the continued heightened attention and importance given to environmental issues are likely to benefit Fusion Fuel as the interest and value of its zero-carbon solution increases. It is possible that climate change legislation, regulation or accords could increase demand in this market and thereby increase competition, but such activity may also normalize hydrogen as a broadly used and accepted energy source.

Competition

To our knowledge there are no similar technologies or systems to Fusion Fuel's HEVO based technologies. We believe this technology is innovative, disruptive, and original. The centralized electrolyzer technology, which is used by Hydrogenics, ITM Power, Plug Power, NEL Hydrogen, Giner and McPhy, among others, represents the main competition to Fusion Fuel's technology. Even though Fusion Fuel's technology currently has a significantly higher efficiency rate than the centralized electrolyzer, it is expected that there will be further evolution in the efficiency of the centralized electrolyzers, and so we expect the market to remain competitive.

Fusion Fuel is faced with competition from several aspects of the industry, namely:

(a) Traditional hydrogen production methods — which can continue to improve their efficiency and lower costs, making the change to Green Hydrogen more costly to consumers. Companies in this space include Linde, Air Liquide, Air Products, and Praxair, among others.

(b) Green Hydrogen technology providers — these are typically centralized electrolyzer solutions used in combination with electrical energy from renewable sources or even blue hydrogen providers (hydrogen produced through traditional means with carbon sequestering techniques). There is significant investment in this space and improvements in this technology could lead to more intense competition in the hydrogen production market. Companies in this space include Hydrogenics, ITM Power, NEL Hydrogen, Plug Power McPhy, and Giner, among others.

(c) Green Hydrogen providers — companies that sell Green Hydrogen as an end product. This is still an emerging market and will include large energy companies as well as investors who buy and operate established hydrogen plants. Companies in this space include Engie Hydrogen, Air Liquide, Air Products, Linde, and Shell, among others.

Fusion Fuel believes competition in this industry will be driven by the final price of Green Hydrogen per kilogram as an output. Efficiency of energy conversion will be a secondary competitive factor. Because Fusion Fuel's solution produces Green Hydrogen at cost levels that are highly competitive to Brown Hydrogen and significantly less expensive than other producers of Green Hydrogen, we do not believe we will lose cost competitiveness in the market. However, there is significant and continuous R&D in the industry which will drive competition. For this reason, Fusion Fuel maintains a strong investment in R&D activities, capitalizing on the accumulated know-how from its team and prospective partners. Fusion believes this is a key factor to achieve sustainable growth and market differentiation, and maintaining the technological lead over other market solutions. We believe that Fusion Fuel has achieved a major breakthrough for the energy sector as a whole, and Fusion Fuel aims to position itself as the leading expert on Green Hydrogen, leveraging all the positive outcomes that our solution can achieve in multiple areas and businesses.

Fusion Fuel can benefit from competition as the market grows as such competition may drive down costs and promote continued innovation for externally sourced components and systems. For example, the hydrogen piping and storage systems at each of Fusion Fuel's hydrogen plants are externally sourced and a general increased interest in the hydrogen market may lead to further improved products or reduced prices from Fusion Fuel's suppliers.

Regulations & Certifications

Fusion Fuel's HEVO-Solar system comprises two major components: the photo-electro component where the photon to electron conversion process takes place, and the electrochemical component, where the electrolysis process takes place.

In respect of the electrolysis process for extracting hydrogen, Portugal introduced legislation at the end of August 2020 regarding the security of the processes such as generating, distributing and blending hydrogen with natural gas. This legislation also covers the licensure requirements of Green Hydrogen projects developed by official entities like DGEG (Direção Geral de Energia) from the Portuguese Government, LNEG (National Laboratory) and others. Fusion Fuel is compliant with these regulations and will continue to monitor any future developments to ensure continued compliance.

In respect of the photo-electro component, the MagP photo-electro system is CE marked, which is a certification that confirms conformity with health, safety and environmental protection standards for products sold within the European Economic Area, in accordance with IEC 62108, which specifies requirements and implements a series of tests for design qualification and type approval of CPV modules and assemblies suitable for long-term operation in general open-air climates.

The MagP photo-electro system conforms with the following certification marks:

- IEC 62760, which specifies requirements for determining the energy output and performance ratio for CPV modules, arrays, assemblies and power plants using an on-sun, measurement-based method. This certification standard defines the procedure that should be used to rate the power on the CPV modules.

- IEC 62688, which is a safety standard that describes the fundamental construction and testing requirements for CPV modules and assemblies to provide safe electrical and mechanical operation during their expected lifetime.

The Fusion Fuel electrochemical part conforms with the following certifications:

- ISO 22734, which defines the construction, safety and performance requirements of packaged or factory-matched hydrogen gas generation appliances (such as the Hydrogen Generator) using electrochemical reactions to electrolyze water to produce hydrogen gas and oxygen gas.

- Pressure Equipment Directive (PED) 2014/68/EU (formerly 97/23/EC), which establishes standards for the design and fabrication of pressure equipment (such as steam boilers, pressure vessels, piping, safety valves and other components and assemblies subject to pressure loading) over one liter in volume and having maximum pressure more than 0.5 bar gauge. This certification standard also sets the administrative procedure requirements for the "conformity assessment" of pressure equipment for placement of the technology in the European market without local legislative barriers.

- Low Voltage Directive (LVD) 2006/95/EU, which provides common objectives for safety regulations to allow electrical equipment approved in any EU member country to be accepted in all other EU countries. This certification standard does not provide any specific technical standards that must be met, but instead relies on the IEC technical standards for the production of safe products.

- ATEX Directive 94/9/EC, which is a legal requirement in all European member states. Any equipment or protective system intended for use in potentially explosive atmospheres must comply with these requirements.

- 2014/30/EU (Electromagnetic Compatibility (EMC) Directive) ensures that electrical and electronic equipment does not generate, or is not affected by, electromagnetic disturbance.

The Fusion Fuel HEVO-Chain containerized solution will conform with the following standards where applicable:

- ISSO 22734 - Hydrogen generators using water electrolysis — Industrial, commercial, and residential applications

- EN ISO 12100 – 1 - Safety of machinery — Basic concepts, general principles for design — Part 1

- EN ISO 12100 – 2 - Safety of machinery — Basic concepts, general principles for design — Part 2

- ISO 13849 - Safety of machinery. Safety-related parts of control systems General principles for design

- EN 61010 - Safety requirements for electrical equipment for measurement, control, and laboratory use

- EN 61000-6-3 - Electromagnetic compatibility (EMC) - Part 6-3: Generic standards - Emission standard for equipment in residential environments

- EN 61000-6-2 - Electromagnetic compatibility (EMC) - Part 6-2: Generic standards - Immunity standard for industrial environments

- ASME B31:12 - Hydrogen Piping and Pipeline Code Design Rules and Their Interaction With Pipeline Materials Concerns, Issues and Research

All of the above-listed certification standards have required tests, and Fusion Fuel will need to provide proof of testing and a responsibility letter of the Fusion Fuel Executive Board to the relevant test administrators in order to be compliant. If a technology does not pass a particular test, a report is issued and the technology can be adapted and retested until it is brought into compliance. Each test costs somewhere between €60,000 to €80,000. Fusion Fuel will engage an authorized third party to assist with the process of achieving conformity with these certifications.

Fusion Fuel must conform with each of these certification standards in order to install its various projects, the first being the Evora Project. The HEVO was developed and designed to account for these various standards and requirements and we believe it will pass each required test.

Additionally, Fusion Fuel expects that there will be new standards and technical requirements that will standardize the production, transportation and use of hydrogen and to manage the integration of hydrogen in natural gas networks. We intend to comply with each new standard or requirement applicable to our products and services.

Raw Materials and Suppliers

Fusion Fuel Portugal has entered into a production contract with MagP to purchase pre-determined volumes of CPV materials to be confirmed at the start of each year. This ensures that Fusion Fuel will have a guaranteed minimum product supply from an experienced manufacturer to support its ability to deliver against its business plan. MagP is a strategic supplier, in particular because of its CPV technology used in the HEVO-Solar. The HEVO Chain solution is produced at Fusion Fuel´s own Benavente facility.

Most components and materials essential to Fusion Fuel are generally available from multiple sources, with a few exceptions. Fusion Fuel believes there are component suppliers and manufacturing vendors whose loss to Fusion Fuel could have a material adverse effect upon Fusion Fuel's business and financial condition. The loss of such suppliers would require Fusion Fuel to source new suppliers, incur delays as any such suppliers adapt to our specification requirements, and conduct testing on the product rendered by such new suppliers to ensure the fitness of such product.

Fusion Fuel is discussing with key suppliers coordinated product plans, strategic inventories, and internal and external manufacturing schedules and levels.

Research and Development

Given the nascent stage of the Green Hydrogen industry, we believe that continuous R&D in all aspects regarding product development, manufacturing process and material sourcing are key to maintain industry competitiveness and relevance. With that mind set, Fusion Fuel's R&D department is tasked with developing continuous improvements to existing products and services, as well as developing new related products and services.

Fusion Fuel Portugal filed its first patent, the "Direct Coupled Water Hydrogen Generator for Hydrogen Generation from Concentrated Sunlight", on March 10, 2020, which was submitted on August 3, 2020 with International Patent Submission Number PCT/IB2020/05733. Fusion Fuel Portugal filed its second patent called "Floating Guiding Flow Plate for Electrochemical Cells" which was submitted on October 14, 2020 with the International Patent Submission Number PAT/116826A. Fusion Fuel Portugal [filed] two provisional patents in the first half of 2022 called "Oxygen evolution reaction without gas diffusion layer on an PEM electrolysis cell" and "UPP design to reduce inter-cell mismatch", respectively.

Fusion Fuel also benefits from exclusive use of MagP's intellectual property and CPV products when it relates to the production of hydrogen. This is a close collaboration between the firms that extends to R&D as well given that the compatibility of both companies' products is important for the final product manufacturing.

The majority of Fusion Fuel's expenses at this stage come from prototype models, various stress tests and new generation testing, as well as patent filings and registrations in all relevant markets, and the personnel costs associated with the R&D department.

Human Capital Resources

The executive team is composed of Frederico Figueira de Chaves (CFO) and Zachary Steele (Co-President Americas) as Co-Heads of the Executive Committee. Other members of the Executive Committee include Andre Antunes (Chief Production Officer), Jaime Silva (Chief Technology Officer), João Teixeira Wahnon (Chief Origination Officer & Head of Commercial MENA & Spain), Jason Baran (Chief Commercial Officer & Co-President Americas), David Lovell (Head of Australasia), Mario Garma (Chief Engineering Officer).

The Executive Committee structure is outlined in the graphic below:

Fusion Fuel, at the date of publishing this report, has more than 150 full time employees and continues to grow its team across all areas. Fusion Fuel's employment contracts include confidentiality, non-disclosure and non-competition clauses to protect the firm and its intellectual property. Fusion Fuel has also engaged headhunters in Portugal and in other locations to aid in the search of specific talent related to R&D, EPC and Commercial team requirements.

Seasonality

Fusion Fuel's business lines can be impacted by seasonality effects. In terms of business development there are certain holiday periods that slow down negotiations and discussions with counterparts and clients, potentially also impacting the supply chain. In addition, revenues from Fusion Fuel's owned and operated hydrogen plants may be impacted by seasonality as solar radiation varies throughout the year and that can lead to variances in hydrogen sale revenues month on month.

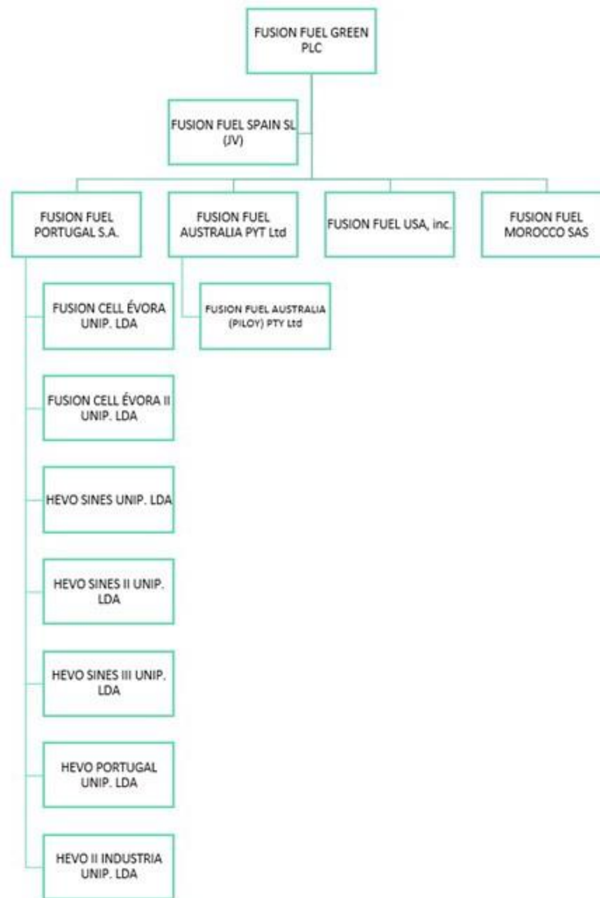
JOBS Act

Parent is an "emerging growth company" and, under the JOBS Act, will be allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. Parent has elected to delay the adoption of new or revised accounting standards, and as a result, Parent may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As such, the consolidated financial statements for Parent may not be comparable to companies that comply with public company effective dates.

Parent could remain an emerging growth company until the last day of Parent's fiscal year following the fifth anniversary of HL's initial public offering, or December 31, 2023. However, if Parent's annual gross revenue is $1.235 billion or more, if its non-convertible debt issued within a three year period exceeds $1 billion or the market value of its ordinary shares that are held by non-affiliates exceeds $700 million on the last day of the second fiscal quarter of any given fiscal year, Parent would cease to be an emerging growth company as of the following fiscal year.

C. Organizational Structure

The following chart illustrates the Fusion Fuel legal entity s tructure as of the date of this Annual Report:



D. Property, Plants and Equipment

On January 1, 2021, Fusion Fuel Portugal entered into a Sub-Lease Agreement with Negordy for space of 4,156 square meters of office, logistical, and industrial activities. Parking plots are also included. The sub-lease has an initial term of five years, with automatic renewal for additional terms of five years until either party notifies the other party of its intention not to renew. Either party can choose to terminate the agreement after 20 months once adequate communication is provided to the other party. The monthly rent determined by the sub-lease is fixed at €0.02 million.

On December 20, 2022, Fusion Fuel Portugal entered into a sale-and-leaseback agreement for its facility at Benavente, Portugal. The leaseback arrangement has an initial term of 20 years and will be automatically renewed for a further ten years unless the Group provides sufficient notice to terminate. The monthly rent determined by the lease is fixed at €0.05 million.

A description of Fusion Fuel's material tangible fixed assets and its material plans to develop and install Green Hydrogen plants, including without limitation Evora, is included in this Annual Report above in this "Business Overview" section and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section contained in Item 5 below, each of which are incorporated herein by reference.

ITEM 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following management's discussion and analysis (this "MD&A") provides information concerning our financial condition and results of operations for the year ended December 31, 2022 and 2021 and should be read in conjunction with our audited consolidated financial statements and the related notes included in Item 17 of this Annual Report on Form 20-F, "Financial Statements." All terms used herein and not otherwise defined shall have the meanings ascribed to them in the Annual Report.

The following discussion contains forward-looking statements that reflect our future plans, estimates, belief, and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those discussed elsewhere in our Annual Report, particularly in Item 3.D of the Annual Report, "Risk Factors," and in the "Cautionary Note Regarding Forward-Looking Statements" set forth herein. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur.

Overview

Fusion Fuel Green serves as a holding company for the Fusion Fuel business. Fusion Fuel's mission is to produce hydrogen with zero carbon emissions, thereby contributing to a future of sustainable and affordable clean energy and the reversal of climate change. Fusion Fuel produces green hydrogen through two products with components built in-house and one that also incorporates elements from a partnership with MagP.

Fusion Fuel's business plan includes the sale of technology to parties interested in generating green hydrogen at an attractive cost (including to natural gas networks, ammonia producers, oil refineries, and other similar customers), the development of hydrogen plants to be operated by Fusion Fuel and active management of the portfolio of such hydrogen plants as assets, and the sale of green hydrogen as an output with pre-defined HPAs.

To date, Fusion Fuel's business activity has primarily been financed by the capital in connection with its business combination with HL, and the related private placement, in December 2020. Fusion Fuel expects both its capital and operating expenditures to significantly increase in connection with its ongoing activities, as Fusion Fuel:

- builds out its in-house manufacturing facilities and purchases related equipment;
- commercializes the HEVO based technologies and hydrogen plants;
- continues to invest in its technology;
- increases marketing and business development activities, including travel costs and industry association membership fees;
- maintains and improves its operational, financial and management information systems;
- hires additional key personnel;
- maintains, expands, and protects its intellectual property portfolio; and
- Continues to operate as a public company.

A. Operating Results

We have generated no revenue to date. As reported, in September 2021, we entered into our first third party technology sale agreement with Exolum, a leading supplier of specialist storage, handling and transport for bulk liquids and gases. Work commenced on this project during the third quarter of 2022 and is expected to be completed during the second quarter of 2023. The contract price included both fixed and variable elements and we expect to earn revenues of approximately €1.9 million, which will be payable once certain conditions are met, including equipment warranties and performance guarantees covering both degradation over time and specified energy yields. Upon entering into this contract, we expected that this project would either have a low margin (if at all) or operate at a loss. As a result, we informally agreed with Exolum at the time, and again more recently, to pursue innovation grant awards that could mitigate any loss. Nevertheless, we believed this contract was a key strategic milestone for the Company for the following reasons:

- At the time, it was the first project of its kind for the Company and as such represented proof of concept of having an integrated hydrogen production plant with a hydrogen refueling station;

- The latest version of our HEVO-Solar technology was still being developed and being able to enter such an Agreement without having a track record provided third party support in what we believed our technology could achieve; and

- It was seen as an important gateway into the Spanish market, by being able to develop and install a plant in a market with a strong hydrogen agenda, in conjunction with a strategic partner like Exolum.

When pricing this contract, we made an estimate of the raw material and production costs, however, on review of such project costs, we revised our estimate and now currently expect that this project will result in a loss of €5.17 million. We continue to work in conjunction with Exolum to source grant funding given that this will be the first demonstrator plant of its kind in Spain. Based on our previous record with grant awards, we would expect any such award to offset a significant portion of the expected losses, although there can be no assurance, we will receive any such grant awards. We continue to review the project costs but given current information, we have recorded an onerous contract provision of €5.17 million during 2022, which reflects the Group's best estimate at this time of the total expected contract loss. The increase in provisions has been recorded in "cost of sales". This project has been of significant value in building our Iberian pipeline and we believe that any loss (if we are unable to offset it with grants) will be offset by the business opportunities created for the Company.

For the twelve months ended December 31, 2022, Parent generated a total comprehensive loss of €27.35 million, primarily consisting of administration expenses of €18.42 million, research and development expenditure of €0.91 million, share based payment expense of €3.51 million, impairment charge related to property, plant and equipment of €3.32 million and cost of sales of €8.77 million, partially mitigated by €7.62 million of fair value gains on its derivative financial instruments (Warrants) and a foreign exchange gain of approximately €1.38 million generated during the period. The above impairment charge related specifically to our internally generated hydrogen production plants. An impairment test was conducted when an indication of impairment was identified by management.

For the twelve months ended December 31, 2021, Parent generated total comprehensive loss of €23.56 million, primarily consisting of administration expenses of €7.51 million, research and development expenditure of €0.18 million, share based payment credit of €0.8 million and €28.3 million of fair value gains on derivative financial instruments (Warrants). In addition, a foreign exchange gain of €2.3 million generated.

For the twelve months ended December 31, 2022, there was no cost of revenue, except for the above onerous contract provision recorded for Exolum (€5.17 million), further contract loss provisions recorded for two other projects that had not commenced by December 31, 2022 (€3.2 million) and the cost of scraped materials through the normal production cycle of €0.36 million. Once Fusion Fuel commences internal commercial production, cost of revenue is expected to include direct parts, material and labor costs, manufacturing overhead, including amortized tooling costs and depreciation of facilities, cost of hydrogen production, shipping and logistics costs and reserves for estimated warranty expenses.

For the twelve months ended December 31, 2021, there was no cost of revenue.

For the twelve months ended December 31, 2022, and 2021, R&D expenses consisted of €2.83 million and €0.93 million, respectively, primarily consisting of:

- Fees paid to third parties such as consultants and contractors for outside development;

- Expenses related to materials, supplies and third-party services;

- Personnel-related expenses, including salaries, and benefits, for personnel in the engineering and research functions; and

- Depreciation for prototyping equipment and R&D facilities.

We expect R&D costs to gradually increase for the foreseeable future as we progress on projects due to continued investment in R&D activities to achieve our business plans.

Parent has funded the activities of the Fusion Fuel business using its own reserve of capital. To date, no grant amounts claimed have been received and these are still under review. Subsequent to December 31, 2022, VAT receipts of €2.23 million have been received.

Key Factors Affecting Operating Results

We believe that our performance and future success depend on several factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section of the Annual Report titled "Risk Factors."

Business Combination and Public Company Costs

On December 10, 2020, we consummated the business combination among Parent, HL, and Fusion Fuel Portugal. Fusion Fuel Portugal was deemed the accounting predecessor of the Parent and the successor SEC registrant, meaning that Fusion Fuel Portugal's financial statements for previous periods will be disclosed in Parent's periodic reports filed with the SEC.

As a consequence of the transactions with HL, Parent became an SEC-registered public company and its class A ordinary shares and Warrants are listed on Nasdaq, which has required Parent and Fusion Fuel Portugal, as the operating company, to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. Parent and Fusion Fuel Portugal each expect to incur additional annual expenses as a result of Parent becoming an SEC-registered and Nasdaq-listed public company for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting and legal and administrative resources, including increased audit and legal fees.

Launch of Fusion Fuel's Hydrogen Generator, the HEVO-Solar, and First Green Hydrogen Plants

Fusion Fuel expects to derive revenue from the development of its first green hydrogen plant - the Evora Project (H2Evora & GreenGas). Prior to installing any HEVO-Solar units, Fusion Fuel was required to obtain all the construction permits, hydrogen production licenses and land rental agreements (the "Plant Permits") for any such plant. H2Evora consists of 15 HEVO-Solar generators armed with Fusion Fuel's 2021 generation of the HEVO micro-electrolyzer. H2Evora also includes state-of-the-art hydrogen purification, compression and storage systems, as well as a Ballard fuel cell to convert the green hydrogen into electricity to be fed into the national grid. Installation at H2Evora is complete and our HEVO-Solar generators have been operating continuously since late 2021. The facility received formal commissioning during the fourth quarter of 2022. This was not only the first plant to create green hydrogen in Iberia, but also the first plant producing and using green hydrogen as an energy storage medium all in one integrated facility.

On November 10, 2022, the Company announced that it had successfully commissioned its H2Évora plant. The demonstration project, comprised of 15 HEVO-Solar units and associated balance of plant equipment, will produce 15 tons of green hydrogen per year and avoid the emission of 135 tons of CO2 annually. The facility includes a 200-kilowatt FCwaveTM fuel cell module supplied by Ballard Power Systems ("Ballard"), which is used to convert its green hydrogen into electricity, enabling Fusion Fuel to sell power into the electric grid during periods of peak demand. We believe the integration of Fusion Fuel's solar-to-hydrogen HEVO solution and Ballard's fuel cell technology is a powerful proof of concept for the use of hydrogen as a flexible energy storage vector and off-grid power supply. This facility serves both as a source of some revenue to the company but most critically as a testing site for new generations of our technology.

The GreenGas project consists of 40 HEVO-Solar generators which will produce approximately 45 tons of green hydrogen per year. A portion of the HEVO-Solar generators will be outfitted with the next generation HEVO-Night, which will unlock the production of green hydrogen using renewable energy sources overnight or during periods of low or no solar irradiation. The GreenGas plant will be connected to the Autonomous Regasification Unit of the City of Evora. The green hydrogen produced will demonstrate two use-cases:

- Direct injection into the Evora natural gas network to pilot hydrogen blending. All of the solar tracker structures are already in place, and we are waiting on deployment of the HEVO micro-electrolyzers as well as some Balance of Plant equipment.

- Compression and bottling in cylinders for sale to industrial and mobility users.

This will be Portugal's first utility-scale project to produce green hydrogen from solar energy and blend green hydrogen at scale into a local natural gas distribution network. Installation of this facility is currently underway.

During the third quarter of 2022, Fusion Fuel commenced construction work on its first third-party technology sale. Fusion Fuel and Exolum will develop a turnkey solar-to-hydrogen plant to supply green hydrogen to Madrid, Spain. Exolum is a leading supplier of specialist storage, handling and transport for bulk liquids and gases, with one of the most comprehensive ranges of tankage in Europe. The project will have 21 HEVO-Solar units along with a co-located refueling station, which will serve as proof of concept of hydrogen for mobility applications. This facility will also feature the latest generation HEVO micro-electrolyzer capable of leveraging other sources of renewable energy to produce green hydrogen overnight and during periods of low solar radiation, which are expected to double the productive output of the facility. The construction of this solar-to-hydrogen plant is expected to be completed during the first quarter of 2023 with commissioning expected to take place during the same quarter.

Fusion Fuel will begin construction work on its second and larger hydrogen plant, known as the HEVO-Sul Project, which, in addition to requiring the same Plant Permits, is also expected to require approximately €12m of capital expenditure which we expect to utilize working capital for such expenditures. The project has already been granted the required environmental permits from the applicable Portuguese permitting agency and a final investment decision is expected in the first half of 2023. The HEVO-Sul project consists of 178 HEVO-Solars located in Sines, Portugal.

Grant funding of €4.3 million has been approved for our HEVO-Sul project which has a total projected cost of approximately €12 million. The grant is expected to be received throughout the execution life of the project which is expected to be in 2023. We expect the installation of the systems for this project to occur throughout 2023 once construction permits have been approved and granted, which is expected to occur during the first half of 2023.

On October 6, 2022, the Company announced that it had entered into a technology sale agreement with KEME Energy (“KEME”) to supply its solar-to-hydrogen system for a 1.22 MW green hydrogen project located in Sines, Portugal. The two companies had previously announced the execution of a collaboration agreement in February 2022. The project, which secured a €2.4 million grant from Portugal’s POSEUR programme in late 2021, will be developed in ZILS, the Sines Industrial and Logistics Zone, and will consist of 62 HEVO-Solar trackers that will generate an estimated 77 tonnes of green hydrogen per year. The hydrogen produced is expected to help meet local demand from customers in the nascent hydrogen mobility sector. Fusion Fuel expects to begin construction of the facility in the second quarter of 2023 and achieve commercial operation in the second half of 2023.

On November 18, 2022, the Company announced that it had entered into a commercial agreement with Duferco Energia SpA (“Duferco”) to jointly develop the green hydrogen ecosystem in Italy and select markets in the MENA region. A subsidiary of Duferco Group, the multinational steel and commodity trading company, Duferco Energia is focused on the management of energy production assets and marketing of energy services. The companies expect to leverage Duferco’s local sales network, knowledge of local markets, and deep shipping and logistics expertise to develop a pipeline of development opportunities and turnkey technology-sale projects. The inaugural project under the agreement is a 1.25 MW green hydrogen pilot project to be developed at Duferco’s industrial site in Giammoro, Sicily. Fusion Fuel is expected to supply 50 of its HEVO-Solar trackers for the proposed project, which would be installed in the first half of 2024. The facility would produce roughly 46 tonnes of green hydrogen per year which would be used to power a molten carbonate fuel cell system, adding a unique and innovative aspect to the project.

On November 21, 2022, the Company announced that four projects in Spain, in which the Company is involved as a technology provider, have been pre-selected for up to €12.9 million in grant funding. If successful, the grants will be awarded through the H2 Pioneros Program, which has a current year budget of €150 million and aims to support commercial projects across the renewable hydrogen value chain. H2 Pioneros is one of the first funding calls under the Strategic Projects for Economic Recovery and Transformation (“PERTE”) program, a €6.9 billion financing tool created under Spain’s recovery and resilience facility, to support projects and initiatives in renewable energy, green hydrogen, and energy storage. Fusion Fuel is expected to supply a total of 423 HEVO-Solar units to the four projects, equivalent to 10.5 MW of electrolysis capacity, which would reach final investment decision in 2023 and be delivered on a turnkey basis in 2024. These four projects are expected to generate €31.7 million in revenue, of which an estimated €16.4 million would be earned by Fusion Fuel from the sale of Fusion Fuel technology. All four projects have secured land for their respective development, and the companies expect to commence permitting once the terms of acceptance for the grants are signed. Three of the projects are focused on hydrogen refueling, a reflection of Fusion Fuel’s strategic focus on the development of a mobility backbone throughout Iberia, while the fourth will produce green hydrogen for local industrial use.

On November 23, 2022, the Company announced its entry into the centralized electrolyzer market with the introduction of its HEVO-Chain solution. The HEVO-Chain is a revolutionary innovation in the design of centralized PEM electrolyzers. Rather than relying on a traditional cell-stack, the HEVO-Chain builds off Fusion Fuel's proprietary HEVO architecture, enabling the system to operate at higher efficiency – roughly 49 kWh / kg of hydrogen – and avoid the losses that stem from more conventional electrolyzer stack designs. Each HEVO-Chain hydrogen unit consists of 16 HEVO micro-electrolyzers interconnected along a string, representing 11.2 kW of electrolysis capacity and outputting 5.6 kg of hydrogen per day at a pressure of 4 bar. A planned second-generation unit is expected to increase the pressure at the outlet to 20-30 bar, among additional improvements. As with the HEVO-Solar, the HEVO-Chain was built with modularity and scalability in mind – it is designed for a standard 19" rack cabinet, allowing for up to eight units to be integrated seamlessly alongside the power electronics and water purification system. The HEVO-Chain is currently undergoing comprehensive performance and reliability testing. The company expects the first HEVO-Chain units to enter commercial use in 2024.

On November 28, 2022, the Company and Electus Energy announced that the two companies had entered into an exclusive joint venture agreement to develop a large-scale green hydrogen project in Bakersfield, California. The proposed project is a roughly 75 MW solar-to-hydrogen facility using Fusion Fuel´s HEVO technology, capable of producing up to 9,300 tons of green hydrogen per year including nighttime operation. The project would require an estimated €175 million (or approximately $180 million) in capital investment, with a final investment decision expected in early 2024 and commissioning in the first half of 2025. Once operational, this project will provide enough hydrogen fuel to support over 1,000 Class 8 trucks or buses per day. The companies have already entered into a land-lease agreement to secure 320 acres in Kern County, California for the project's development. Fusion Fuel has engaged Black & Veatch to perform a concept study and is also working with Cornerstone Engineering and Headwaters Solutions.

Any delays in the successful completion of the above projects will impact Fusion Fuel's ability to generate revenue.

Fusion Fuel has received interest in its technology both from parties interested in developing their own hydrogen production plants, as well as parties interested in purchasing green hydrogen as an end product. This interest comes from companies both within and outside of Portugal. Although Fusion Fuel expects the pipeline of its announced projects to be an indicator of future performance, there can be no guarantees that any of the projects will succeed, be completed or that any additional projects will be announced.

B. Liquidity and Capital Resources

As indicated in the accompanying audited financial statements of Parent, at December 31, 2022, Parent had a cash position of €8.2 million, which included €2.9 million of restricted cash. This €2.9 million is deemed restricted as it can only be used on specific projects so is not readily available to be spent on operating expenses. In addition, Parent had other assets of approximately €57.20 million, liabilities of approximately €36 million and no open tax obligations. Our cash position was funded primarily from the net proceeds generated from the HL merger and the concurrent private placement financing that closed on December 10, 2020, proceeds of approximately $10.05 million from the exercise of warrants during the first quarter of 2021, and proceeds of approximately $3.69 million from the sales of class A ordinary shares under an At the Market Issuance Sales Agreement ("the ATM"), see further discussion below. In addition, we received €3.38 million in grant funding in December 2022.

Parent's assets, in addition to cash and cash equivalents, consist of advances to suppliers in the amount of €1.92 million, which consists mostly of amounts required to secure the future supply of raw materials and equipment for our hydrogen production plants. Parent's liabilities consist of accounts payable to suppliers in the amount of €6.15 million, accruals in the amount of €1.93 million, provisions of €8.40 million and warrants in the amount of €7.65 million. The Group has no external debt as of December 31, 2022.

In a prior period, a subsidiary of the Group entered into an agreement with MagP, a related party, to deliver equipment, materials and assembling services in relation to the Groups other ongoing production facilities. At the beginning of 2023, the parties agreed to remove the yearly minimum commitment and provide the quantities to be produced on a quarterly basis.

During 2021, the Group extended a participating loan to finance the growth and working capital needs of Fusion Fuel Spain S.L, an entity in which the Company has joint control. This loan facility has a term of five years and the maximum amount that can be drawn down is €2 million. €0.2 million (2021: €nil) had been drawn down during the twelve month period ended December 31, 2022 and the costs paid by the Group on behalf of Fusion Fuel Spain, €0.63 million (2021: €0.63 million), have been treated as an advancement of this loan for accounting purposes. An amount of €0.74 million had yet to be drawn down at December 31, 2022.

In February 2022, the Company announced that its wholly owned subsidiary, Fusion Fuel Portugal, S.A. secured nearly €10 million in grants for its industrial production facility in Benavente. Under this grant agreement, the funding is split into two components: direct financial support for eligible expenses and tax credits available to the company over a period of several years. The funding is provided to the Company as reimbursement of expenses incurred by the Company in connection with the project and is paid to the Company after it has spent such amounts but no further conditions or approvals are necessary for the Company to receive the reimbursements.

On August 18, 2022, the Company announced that it had received confirmation from the Portuguese government that it will receive an estimated €10 million grant as part of Component 14 (“C-14”) of the Portuguese Recovery and Resilience Plan to develop its 6.6MW HEVO-Industria green hydrogen project in Sines, Portugal. C-14 is focused on accelerating the energy transition by supporting the production of hydrogen and other renewable gases.

On December 7, 2022, Parent announced that it had been approved for a total of €36 million in grant funding for its “Sines Green Hydrogen Valley Alliance” through Component 5 (“C-05”) of Portugal´s Recovery and Resilience Plan. The component – Mobilizing Agendas for Business Innovation – is intended to align stakeholders from across the entire value chain to develop the domestic green hydrogen ecosystem. The company had previously disclosed that it had been selected for financing awards, subject to further negotiations with the Agenda Coordination Commission. These discussions have now been concluded and Fusion Fuel has submitted the respective award contract duly signed and expects to receive the award by mid-January 2023.

Of the €36 million awarded to the consortium, €22.5 million will be allocated to Fusion Fuel’s H2 HEVO-SINES project, a 3,000 HEVO-Solar facility – equivalent to 75 MW of electrolysis capacity – that will be developed, owned, and operated by the company. Fusion Fuel has already secured 121 hectares of land within the Sines area for the development of the project, which is expected to reach final investment decision and commence construction in 2024. The green hydrogen to be produced is expected to be used in decarbonizing local industry, mobility applications, and for blending into the natural gas grid. Another €3.5 million will be allocated to Fusion Fuel to fund research and development of its proprietary electrolysis technology. The balance of the funding will be allocated to other projects within Fusion Fuel’s consortium for which the Company is a technology partner, including those sponsored by KEME Energy, Transition2Green, and HyLAB Collaborative Laboratory.

At the Market Issuance Sales Agreement

On June 6, 2022, Parent entered into an At the Market Issuance Sales Agreement (the “ATM”) with B. Riley Securities, Inc., Fearnley Securities Inc., and H.C. Wainwright & Co., LLC, pursuant to which the Company may offer and sell, from time to time, through or to the agents, acting as agent or principal, class A ordinary shares of the Company having an aggregate offering price of up to $30 million. During 2022, we sold 681,926 class A ordinary shares for net proceeds of $3,685,792 at an average sales price of $6.10 per share. We paid $681,926 in commissions to the agents in connection with these sales. During 2023 to date, we sold an additional 726,851 class A ordinary shares for net proceeds of $2,599,144 at an average sales price of $3.91 per share. We paid $77,974 in commissions to the agents in connection with these sales.

Management is of the opinion that the Company’s working capital at December 31, 2022, and the receipt of debt or equity funding, the receipt of grant funding that has been awarded and scheduled project related revenues will provide sufficient liquidity to fund operations for at least one year after the date the financial statements are issued. In making this assessment, management has considered the Group’s available cash resources, future financing options available to the Group, the planned operations of the Group and the ability to adjust its plans if required.

The Group expects to seek additional funding in order to continue to fund its operations through the end of 2023 and beyond. The Group expects to seek additional funding through public or private financing of debt or equity or through strategic partnerships. The inability to obtain funding, as and when needed, would have a negative impact on the Group's financial conditions and ability to pursue its business strategies. If the Group is unable to obtain funding, the Group could be forced to delay, reduce, or eliminate some or all of its research and development programs or strategic partnerships efforts, which could adversely affect its business prospects, or the Group may be unable to continue operations. Although management intends to pursue plans to obtain additional funding to finance its operations, there is no assurance that the Group will be successful in obtaining sufficient funding on terms acceptable to the Group to fund continuing operations, if at all.

C. Research and Development, Patents and Licenses, etc.

Fusion Fuel's industry and business require continuous innovation and improvement. To this end, the R&D team has already designed the next two generations of the HEVO-Solar which, subject to necessary funding, the Company expects to develop. This innovation aims at not only improving the efficiency of the product, but also reducing the costs of production. Likewise, the HEVO-Chain is not only going through the testing required to put the first generation into commercial operation, but the next generation with a higher output pressure is also already being worked on.

Continuous R&D is a core part of the ongoing strategy for Fusion Fuel. For more information about Fusion Fuel's R&D, see Item 4 "Business Overview – Research and Development" in the Annual Report.

D. Trend Information

Other than the risks described in Item 3.D. "Risk Factors" of the Annual Report, we are not aware of any trends, uncertainties, demands, commitments or events since the beginning of our fiscal year 2022 that are reasonably likely to have a material effect on our net revenues, income from operations, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future operating results or financial condition.

E. Off-Balance Sheet Arrangements

Parent does not have any off-balance sheet arrangements as of December 31, 2022.

F. Contractual Obligations

Fusion Fuel Portugal has a Production Agreement with MagP pursuant to which MagP guarantees the transformation of materials provided by Fusion Fuel Portugal for the CPV solar trackers used in Fusion Fuel's HEVO-Solars. The current production quantities to be produced are agreed between both parties quarterly in advance. Fusion Fuel does not have any financial obligations under this contract, contingent or otherwise, as the contract provides that MagP is to deliver a fixed number of Trackers, as agreed between both parties. A fixed cost per Tracker to be supplied by MagP is also stipulated in the contract. For more information relating to the contracts with MagP, see "Related Party Transactions" in the Annual Report.

During 2022, the Board of Directors approved the installation of multiple production lines at the Group's production facility at Benavente. The Group has signed agreements amounting to €18.3 million relating to the design, fit-out and installation of multiple production lines. At December 31, 2022, the Group had capital commitments of €12.4 million (2021: €nil) of which €6.4 million fall due for repayment during 2023. During 2023, the Group has already paid €1.3 million of this amount..

G. Safe Harbor

This MD&A contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the Private Securities Litigation Reform Act of 1995. See "*Cautionary Note Regarding Forward-Looking Statements*" above.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management

The following table sets forth the name, age and position of each of our directors and executive officers as of the date of this Annual Report.

Name	Age	Position
Jeffrey E. Schwarz	64	Chairman of the Board(1)(2)(3)
Frederico Figueira de Chaves	39	Co-Head of Executive Committee, Chief Financial Officer and Director
João Teixeira Wahnon	53	Chief of Business Development Officer and Director
Jaime Silva	55	Chief Technology Officer and Director
Theresa Jester	65	Director(1)(2)(3)
Rune Magnus Lundetrae	46	Director(1)(2)(3)
Alla Jezmir	42	Director(1)(2)(3)
Zachary Steele	39	Co-Head of Executive Committee, Co-President of Fusion Fuel USA
Jason Baran	41	Co-President of Fusion Fuel USA
David Lovell	67	Chief Executive Officer of Fusion Fuel Australia
Mario Garma	46	Chief Engineering Officer
Andre Antunes	44	Chief Production Officer

(1) Member of the Audit Committee
(2) Member of the Nominating Committee
(3) Member of the Compensation Committee

Jeffrey E. Schwarz became the Chairman of the Board of Directors of Parent on December 4, 2020, which was the date that Parent's board of directors approved the closing of the Transactions. Mr. Schwarz served as the Chief Executive Officer and Chairman of the Board of HL Acquisitions from HL's inception in February 2018 until the Merger. He is the Co-Founder of Metropolitan Capital Advisors, Inc., a New York-based money management firm founded in 1992. Schwarz served as Metropolitan's Chief Investment Officer from the firm's inception until his retirement in 2012. Since 2012, he has served as the Managing Member of Metropolitan Capital Partners V LLC, the investment vehicle of the Schwarz family office. Mr. Schwarz also serves as the Co-Chairman of the Board of Bogen Corporation, a provider of audio equipment. Mr. Schwarz previously served as the Chairman of the Board of Molopo Energy Ltd., an Australian Stock Exchange listed, Calgary, Alberta-based oil and gas exploration and production company, and as a member of the Board of Directors of Cyberonics Inc., a Nasdaq listed medical device company. Mr. Schwarz received a BS in Economics (Summa Cum Laude) and an MBA from the Wharton School of the University of Pennsylvania. We believe Mr. Schwarz is well-qualified to serve as a director due to his contacts and business experience.

Alla Jezmir became a Director of Parent as of December 4, 2020, which was the date that Parent's board of directors approved the closing of the Transactions. Ms. Jezmir currently serves as Advisor at Earthrise Energy, an Arlington, VA based company focused on accelerating the energy transition. From 2019 to 2023, she served as Executive Vice President, Corporate and Business Development at Earthrise. From 2013 to 2019, Ms. Jezmir served in progressively senior roles, most recently as Managing Director, at CCM Energy, the clean energy investment division of CCM Group, a real estate firm. From 2015 to 2019, Ms. Jezmir was Principal and founding team member of Traverse Venture Partners, an investment platform launched out of CCM to back entrepreneurs transforming the real estate industry. Prior to these roles, she served as Project Manager in the Business Development group at The AES Corporation from 2010 to 2012. At AES, she steered the development of its Global Gas Program, served on the Internal Review Team, and supported project development for the company's award-winning energy storage group. As Principal of the Green Portfolio at Calvert Impact Capital from 2009 to 2010, Ms. Jezmir led the organization's Green Initiative, investing in community development organizations across the globe that address social and environmental disparities. From 2009 to 2018, she co-founded and served as Board Chair of EGG-energy, a company that delivered solar energy to Tanzanian households and small enterprises lacking access to the power grid. Ms. Jezmir holds an MBA from Harvard Business School, an MPA from the Harvard Kennedy School of Government, and a BSBA from Washington University in St. Louis. She serves on the Board of the Clean Energy Leadership Institute (CELI), is a Term Member at the Council on Foreign Relations and founding member of the Leadership Now Project. We believe Ms. Jezmir is well qualified to serve as a director due to her experience in the clean energy industry and in early-stage companies.

Rune Magnus Lundetrae became a Director of Parent and Chair of the Board Audit Committee as of December 4, 2020, which was the date that Parent's board of directors approved the closing of the Transactions. Mr. Lundetrae served as a member of HL's board of directors from June 2018 until the Merger. From 2020 Mr Lundetræ has managed investments in the shipping and energy industry and is a Director and Chairman of several public and private companies, primarily in Norway. From December 2016 to December 2019, Mr. Lundetrae served as the Deputy Chief Executive Officer and Chief Financial Officer of Borr Drilling Ltd., the world's largest premium jack-up rig operator. From August 2015 to December 2016, he was a Managing Director and Head of Oil Services of DNB Markets, the investment banking subsidiary of DNB, Norway's largest financial services group. From 2012 to June 2015, he served as Chief Financial Officer of Seadrill Ltd, the world's largest offshore driller. From 2010 to 2011, he served as Chief Financial Officer of Scorpion Offshore, an international offshore drilling company based in Houston, Texas and listed on the Oslo Stock Exchange. Mr. Lundetrae began his career with KPMG Stavanger, an auditing firm. He received a BA in Business Administration from the University of Newcastle Upon Tyne, a M.Sc in IS Management from the London School of Economics and a M.Sc of Accounting and Finance from the Norwegian School of Economics. He is qualified as a CPA in Norway. We believe Mr. Lundetrae is well qualified to serve as a director due to his significant experience with public companies, in particular on the accounting and governance aspects.

Theresa "Terry" Jester became a Director of Parent on December 13, 2021. Ms. Jester currently serves on the Boards of NEXT Energy Technologies, a developer of organic photovoltaic coatings used to transform windows into energy-producing assets, and Silicor Materials, a global leader in the production of solar silicon. She previously served as CEO of BIA Controls, a developer and installer of demand management, energy management and building automation software systems. Ms. Jester began her career at ARCO Solar in 1979 where she helped develop and commercialize the materials strategy which is largely still in use today for crystalline silicon products. There she led the development of the first large $400 million solar manufacturing operation in Camarillo, California, as well as helped run factories in the Philippines, Germany, Brazil, India, and Portugal as part of the worldwide strategies for SunPower, Solaria, SolarWorld, Shell and Siemens. Ms. Jester holds a Mechanical Engineering Degree from California State University. We believe Ms. Jester is well-qualified to serve as a director due to her contacts and business experience, particularly with respect to developing, producing, and commercializing new technologies.

Frederico Figueira de Chaves is Co-Head of Fusion Fuel´s Executive Committee as well as Group Chief Financial Officer and Director. He became the Chief Financial Officer and a Director of Parent on June 3, 2020. Mr. Figueira de Chaves has been a shareholder and member of the Board of Directors of Fusion Welcome, S.A. since 2018 and is also a member of Key Family Holdings Investments, a minority shareholder of Fusion Fuel and Negordy S.A., S.A. From 2006 to the end of 2019, he held various senior positions (Managing Director level) at UBS AG, including UBS Asset Management Head of Sales Management & Marketing, AM Head of Wealth Management Distribution, Chief of Staff to Asset Management CEO, Chief of Staff to UBS Group COO & Head of EMEA, among others. Mr. Figueira de Chaves holds a master's degree in Economics from Edinburgh University. We believe Mr. Figueira de Chaves is well-qualified to serve as a director due to his experience in developing and running new business lines at UBS AG, his financial services background and network, and his knowledge of the Fusion Fuel strategy, business, and supply chain.

Jaime Silva became the Chief Technology Officer and a Director of Parent as well as member of the Executive Committee as of December 4, 2020, the closing date of the Transactions. Mr. Silva co-founded Fusion Welcome, S.A. and has served as Chief Technology Officer and executive officer of each of Fusion Welcome, S.A., Fusion Fuel and MagP Inovação, S.A. since 2015. Prior to founding Fusion Welcome, S.A., Mr. Silva co-founded MagPower - Soluções de Energia S.A., a CPV solar company ("MagPower"), and served as its Chief Technology Officer from inception in 2007 until 2014. MagPower created the foundation to the CPV solar technology currently used by MagP Inovação, S.A., and pays royalties to MagPower on all sales of the CPV solar technology, including the sales to Fusion Fuel. Prior to MagPower, Silva was founder and CEO of Margina - Industria Metalomecânica S.A. - Metallurgic Industry, and before that founder and CEO of Imediata - Comunicações e Multimédia S.A., a multimedia kiosk technological company. Mr. Silva holds a master's degree in management and a master's degree in telecommunications each from the University of Porto, and a degree in Electrical Engineering from the University of Porto. We believe Mr. Silva is well-qualified to serve as a director due to his experience in the green energy space, his extensive knowledge of the Fusion Fuel business and his technical and scientific knowledge in this space as the developer of Fusion Fuel's hydrogen electrolyzer.

João Teixeira Wahnon became a Director of Parent on June 3, 2020 and became the Chief of Business Development as well as member of the Executive Committee as of December 10, 2020, the closing date of the Transactions. Mr. Teixeira Wahnon co-founded Fusion Welcome, S.A. and has served as Head of Business Development for each of Fusion Welcome, S.A., Fusion Fuel and MagP Inovação, S.A. since 2015. Prior to working with Fusion Welcome, S.A., he was an Executive Director of MagPower from 2009 until 2014. From 2005 to 2008 he was a Business Development Advisor to the Board of Directors at Somague Ambiente SGPS S.A., a water treatment and supply company in Portugal, and from 1994 to 2004 he was a Director at Somague Engineering S.A., an engineering and construction company in Portugal, and was responsible for civil works negotiations. He holds a Degree in Engineering from the Instituto Superior Técnico of Lisbon. We believe Mr. Teixeira Wahnon is well-qualified to serve as a director due to his experience in the green energy space, his extensive knowledge of the Fusion Fuel business and his broad network of contacts in the renewable energy business and industry in Europe, the Middle East, Northern Africa, and the United States.

Zachary Steele is Co-Head of Fusion Fuel´s Executive Committee and became Group Co-Head of Americas and Co-President of Fusion Fuel USA as of January 1, 2022. Mr. Steele is an experienced energy entrepreneur and senior executive who has founded, led, and sold multiple energy infrastructure companies over the course of his 16-year career. Prior to joining Fusion Fuel, he served as Vice Chairman and CEO of Cedar LNG, a US$2.4 billion floating LNG project located in British Columbia. Zach brings significant leadership and commercial expertise overseeing complex projects and businesses throughout the energy markets, including the solar, biofuels, and LNG markets. Mr. Steele is a board member of the Canadian American Business Council Entrepreneurial Circle and is based in the United States. We believe Mr. Steele is well qualified to serve given his experience in developing projects in the Americas and in having led several successful company creations and subsequent transactions.

André Antunes became Chief Production Officer as well as member of the Executive Committee on August 1, 2021. Mr. Antunes has more than 15 years of experience in different industries as automotive, metallurgic, tobacco and FMCG, and proven success in manufacturing and production, quality assurance and leadership. Before joining Fusion Fuel, S.A., and since 2020, Mr. Antunes was the Operations Manager in a Unilever Factory in Portugal. From 2011 until 2020 worked in Tabaqueira, S.A., a Philip Morris International affiliate, where he joined as a Production Supervisor, holding different roles such as Strategic Planner, Continuous Improvement Leader, Production Business Unit Manager, Production Secondary area Manager and Site Production Manager. From 2006 until 2011 he was the Operations Manager in Farame, S.A., a metallurgic company. From 2002 until 2006 held different roles in Automotive Industry in 3 different Companies, such as Toyota - Salvador Caetano, PSA - Mangualde Plant and GM - Azambuja plant, holding different roles in Quality and Production. Mr. Antunes holds a degree in Industrial Engineering and Management in University of Aveiro, a Post-Graduation in Management in New University of Lisbon and a Lean Six Sigma Black Belt degree from Lean Six Sigma Company. We believe Mr. Antunes is well qualified to serve as Chief Production Officer due to his experience in establishing, running, and continuously improving large scale production facilities.

David Lovell became Chief Executive Officer of Fusion Fuel Australia as well as member of the Executive Committee on November 1, 2021. Mr. Lovell is a senior executive with over 30 years of experience in the finance, investment banking and construction industries having held many senior roles including at the Bank of Tokyo, Transfield Holdings, Leighton Contractors (now CIMIC) and Origin Energy. He brings significant commercial and financial expertise in relation to major landmark infrastructure projects, including PPPs and privatized infrastructure, across a wide range of industry sectors including power and renewable energy. David is based in Sydney, Australia. Mr. Lovell holds a Bachelor of Financial Administration, Diploma of Economic Statistics and Master of Economics from the University of New England and Master of Business Administration from University of Melbourne. He is also a graduate member of the Australian Institute of Company Directors (GAICD). We believe Mr. Lovell is well qualified to serve as a CEO of Fusion Fuel Australia due to his experience in the energy sector in Australia.

Jason Baran became Co-Head of Americas of Parent and Co-President of Fusion Fuel USA as well as member of the Executive Committee on January 1, 2022. Mr. Baran is an operating and finance executive with extensive strategy, M&A, business development, and capital raising experience. Prior to joining Fusion Fuel, he served as a Board Member and CFO of Cedar LNG, a US$2.4 billion floating LNG project located in British Columbia. Jason presents significant experience with development-stage assets and developing commercial strategies and contracts to support investment objectives. Mr. Baran holds a Bachelor of Arts in Economics from Davidson College and is based in the United States. We believe Mr. Baran is well qualified to serve as Co-Head of Americas of Parent and Co-President of Fusion Fuel USA due to his regional knowledge and experience in complex deal and transaction structuring.

Mario Garma became Head of EMEA as well as member of the Executive Committee on October 18, 2021. Mr. Garma has more than 17 years of experience in the industrial gases industry at Air Products. During his tenure, worked has focused primarily on strategic planning, operations and energy management, and production process improvement. While at Air Products, Mr. Garma held several roles, most recently as Head of Development of Strategic Infrastructure for Green Hydrogen for Southern Europe and previously was Production and Energy Manager for Southern Europe, Process Engineer, as well as Asset Development Manager where he led the infrastructure development process for entry into the Moroccan market. We believe Mr. Garma is well qualified to serve as Head of EMEA due to his experience in the development, construction, and operation of gas plants in Europe.

Parent's board of directors is divided into three classes with only one class of directors being elected in each year and each class serving a three-year term. The term of office for the first class of directors, consisting of Jeffrey E. Schwarz, João Teixeira Wahnon, and Jaime Silva, will expire at Parent's annual general meeting of shareholders in 2023. The term of office for the second class of directors, consisting of Frederico Figueira de Chaves and Theresa Jester, will expire at Parent's annual general meeting of shareholders in 2024. The term of office for the third class of directors, consisting of Rune Magnus Lundetrae and Alla Jezmir, will expire at Parent's annual general meeting of shareholders in 2025.

B. Compensation

Executive Officer Compensation

The aggregate amount of compensation paid by Fusion Fuel to its Executive Officers named above in fiscal 2022 was €5.0 million. Each Executive Officer currently receives a total of €0.18 million of gross fixed annual compensation plus certain short- and long-term benefits. The benefits issued by Fusion Fuel are dictated by the country of residence of each Executive Officer.

For further details of share-based remuneration that have been granted to the Company's employees, including the Executive Committee Members, see "*Item 10. Additional Information—Options to Purchase Securities from Registrant*," as well as Note 8 to the consolidated financial statements included herein.

Decisions on the executive compensation program will be made by the compensation committee of the board of directors of Parent. We anticipate that decisions regarding executive compensation will reflect our belief that the executive compensation program must be competitive in order to attract and retain our executive officers. We anticipate that the compensation committee of the board of directors of Parent will seek to implement our compensation policies and philosophies by linking a significant portion of our executive officers' cash compensation to performance objectives and by providing a portion of their compensation as long-term incentive compensation in the form of equity awards.

Non-executive Director Compensation

At the beginning of 2022, the compensation committee undertook a review of the compensation rates in place for the non-executive directors. Based on such review, the Board adopted following changes to the compensation amounts for fiscal 2022 and for future periods for their service on Parent's board :

- each non-executive director of Parent will earn annual cash compensation of $50,000 and receive equity awards under the Plan of $75,000.

- the chair of the board of directors will receive an additional $50,000 annual cash compensation and receive equity awards under the Plan of $150,000.
- the chair of the audit committee will receive an additional $25,000 annual cash compensation and receive equity awards under the Plan of $100,000.
- the chair of the compensation committee will receive an additional $12,500 and receive equity awards under the Plan of $87,500.

The figures above remain in place for fiscal 2023.

The cash compensation is payable quarterly in advance to Parent's non-executive directors.

All share-based compensation will have a grant date of January 1st for any given year with the equity instruments vesting quarterly in advance. The equity instruments will have a seven-year duration with an exercise price equal to the volume weighted average price for Fusion Fuel's stock for the month of the prior December. The Black-Scholes option pricing model will be used to determine the number of equity instruments granted to each director.

C. Board Practices

Director Term of Office

Parent's board of directors has three classes of directors with staggered terms, with each director serving for up to three years until his or her successor is designated and qualified. During such term, our shareholders will have no power to remove directors without cause. The directors have been assigned classes as follows:

Jeffrey E. Schwarz	Class III
João Teixeira Wahnon	Class III
Jaime Silva	Class III
Frederico Figueira de Chaves	Class I
Theresa Jester	Class I
Rune Magnus Lundetrae	Class II
Alla Jezmir	Class II

Independence of Directors

As a result of its securities being listed on Nasdaq following consummation of the Transactions, Parent adheres to the rules of Nasdaq in determining whether a director is independent. The board of directors of Parent has consulted, and will consult, with its counsel to ensure that the board's determinations are consistent with those rules and all relevant securities and other laws and regulations regarding the independence of directors. The listing standards of Nasdaq define an "independent director" as a person, other than an executive officer of a company or any other individual having a relationship which, in the opinion of the issuer's board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The parties have determined that Messrs. Schwarz, Lundetrae, and Mss. Jezmir and Jester are independent directors. Parent's independent directors have regularly scheduled meetings at which only independent directors are present.

Risk Oversight

Parent's board of directors oversees the risk management activities designed and implemented by Parent's management. Parent's board of directors executes its oversight responsibility both directly and through its committees. Parent's board of directors also considers specific risk topics, including risks associated with Parent's strategic initiatives, business plans and capital structure. Parent's management, including its executive officers, are primarily responsible for managing the risks associated with operation and business of Parent and its subsidiaries and provide appropriate updates to the board of directors and the audit committee. Parent's board of directors has delegated to the audit committee oversight of its risk management process, and its other committees will also consider risk as they perform their respective committee responsibilities. All committees report to Parent's board of directors as appropriate, including when a matter rises to the level of material or enterprise risk.

Board Committees

We have separate standing audit, nominating and compensation committees.

Audit Committee Information

In connection with the consummation of the Transactions, Parent established an audit committee of the board of directors which consists of Ms. Jezmir, Mr. Lundetrae, Ms. Jester, and Mr. Schwarz (ex officio), each of whom is independent under the applicable Nasdaq listing standards. The audit committee adopted a written charter on December 4, 2020, which has been posted to Parent's website at *ir.fusion-fuel.eu/corporate-governance/governance-documents*. The purpose of the audit committee is, among other things, to assist the Board in its oversight responsibilities relating to appointing, retaining, setting compensation of, and supervising Parent's independent accountants, reviewing the results and scope of the audit and other accounting related services and reviewing Parent's accounting practices and systems of internal accounting and disclosure controls.

Financial Experts on Audit Committee

The audit committee is and will at all times be composed exclusively of "independent directors," as defined for audit committee members under the exchange listing standards and the rules and regulations of the SEC, who are "financially literate." "Financially literate" generally means being able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. In addition, Parent is required to certify to Nasdaq that the audit committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication.

Mr. Lundetrae serves as the audit committee financial expert.

Nominating Committee Information

In connection with the consummation of the Transactions, Parent established a nominating committee of the board of directors comprised of Mss. Jezmir and Jester and Messrs. Lundetrae, and Schwarz (ex officio). Each member of the nominating committee is independent under the applicable listing standards. The nominating committee adopted a written charter on December 4, 2020, which has been posted to Parent's website at *ir.fusion-fuel.eu/corporate-governance/governance-documents*. The nominating committee is responsible for overseeing the selection of persons to be nominated to serve on Parent's board of directors.

Guidelines for Selecting Director Nominees

The nominating committee considers persons identified by its members, management, shareholders, investment bankers and others. The guidelines for selecting nominees, which are specified in the nominating committee charter, generally provide that nominees:

- should have demonstrated notable or significant achievements in business, education or public service;
- should possess the requisite intelligence, education and experience to make a significant contribution to Parent's board of directors and bring a range of skills, diverse perspectives and backgrounds to its deliberations; and
- should have the highest ethical standards, a strong sense of professionalism and intense dedication to serving the interests of the shareholders.

The nominating committee considers a number of qualifications relating to management and leadership experience, background and integrity and professionalism in evaluating a person's candidacy for membership on Parent's board of directors. The nominating committee may require certain skills or attributes, such as financial or accounting experience, to meet specific board needs that arise from time to time and will also consider the overall experience and makeup of its members to obtain a broad and diverse mix of board members. The nominating committee will not distinguish among nominees recommended by shareholders and other persons.

Compensation Committee Information

In connection with the consummation of the Transactions, Parent established a compensation committee of the board of directors. The compensation committee consists of Ms. Jezmir and Jester and Messrs. Lundetrae, and Schwarz (ex officio), each of whom is independent under the applicable Nasdaq listing standards. The committee recommended that Ms. Jester be appointed Chair of the Sub-Committee and the Board subsequently approved the recommendation. The compensation committee adopted a written charter on December 4, 2020, which has been posted to Parent's website at *ir.fusion-fuel.eu/corporate-governance/governance-documents*. The purpose of the compensation committee is to facilitate the Board's discharge of its responsibilities relating to reviewing and approving compensation paid to Parent's officers and directors and administering Parent's incentive compensation plans, including authority to make and modify awards under such plans.

Code of Ethics

On December 4, 2020, Parent adopted a Code of Ethics that applies to all of its employees, officers, and directors. This includes Parent's principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. The full text of Parent's Code of Ethics has been posted on Parent's website at *ir.fusion-fuel.eu/corporate-governance/governance-documents*. Parent intends to disclose on its website any future amendments of the Code of Ethics or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions, or Parent's directors from provisions in the Code of Ethics. Information disclosed on Parent's website is not a part of this Annual Report.

Compensation Committee Interlocks and Insider Participation

None of the members of the compensation committee is currently, or has been at any time, one of Parent's officers or employees. None of Parent's executive officers currently serves, or has served during the last year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of Parent's board of directors or compensation committee.

Indemnification Agreements

Parent has entered into separate indemnification agreements with its directors and executive officers. These agreements, among other things, require Parent and Fusion Fuel Portugal to jointly and severally indemnify Parent's directors and executive officers as well as Fusion Fuel Portugal's directors and executive officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by any such director or executive officer in any action or proceeding arising out of their services as one of Parent's or Fusion Fuel Portugal's directors or executive officers or as a director or executive officer of any other company or enterprise to which the person provides services at Parent's or Fusion Fuel Portugal's request. We believe that these charter provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

D. Employees

For information about employees, see Item 4.B of this Annual Report, "*—Human Capital Resources*," contained in this Annual Report and incorporated herein by reference.

E. Share Ownership

Disclosure relating to the share ownership is set forth in Item 7.A of this Annual Report, "*Major Shareholders*," and such disclosure is incorporated herein by reference

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

The following table sets forth information regarding the beneficial ownership based on 14,532,499 Class A Ordinary Shares outstanding as of April 28, 2023 , based on information obtained from the persons named below, with respect to the beneficial ownership of our shares by:

- each person known by us to be the beneficial owner of more than 5% of the voting power of our outstanding Class A Ordinary Shares;
- each of our officers and directors; and
- all our officers and directors as a group.

Beneficial ownership is determined according to the rules of the SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and warrants that are currently exercisable or exercisable within 60 days. Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all ordinary shares beneficially owned by them.

Name and Address of Beneficial Owner (1)	Class A Shares	% Total Voting Power
Officers and Directors		
Jeffrey Schwarz (2)	1,595,505	10.30%
Rune Magnus Lundetrae (3)	52,128	*
Alla Jezmir (4)	31,467	*
Theresa Jester (5)	26,467	*
João Teixeira Wahnon (6)	233,167	1.59%
Frederico Figueira de Chaves (7)	500,111	3.38%
Jaime Silva (8)	71,667	*
André Antunes	667	*
Mario Garma	2,400	*
David Lovell	3,333	*
Zachary Steele	75,000	*
Jason Baran	75,000	*
Gavin Jones	1,006	*
All	**2,667,917**	**17.59%**
Greater than 5% Shareholders		
Negordy Investments, S.A. (9)	3,187,500	19.77%
Wendy Schwarz (10)	791,989	5.23%
MAK Capital Fund LP (11)	3,113,850	19.99%

* Less than 1%.

(1) Unless otherwise indicated, the business address of each of the individuals is c/o Fusion Fuel Green PLC, The Victorians, 15-18 Earlsfort Terrace, Saint Kevin's, Dublin 2, D02 YX28, Ireland.

(2) Includes 910,892 Class A Ordinary Shares underlying Warrants and 45,372 options currently exercisable into Class A Ordinary Shares. Does not include shares held by Wendy Schwarz, Benjamin Schwarz, or the Jeffrey Schwarz Children's Trust, a trust for the benefit of Mr. Schwarz's children, because Mr. Schwarz has neither voting nor investment power over such shares. Mr. Schwarz disclaims beneficial ownership over such shares except to the extent of his pecuniary interest therein.

(3) Includes 30,248 Class A Ordinary Shares issuable upon exercise of currently exercisable options.

(4) Includes 26,467 Class A Ordinary Shares issuable upon exercise of currently exercisable options and 5,000 Class A Ordinary Shares issuable as partial compensation for service as a non-employee director of Parent, pursuant to the director appointment agreement between Parent and Ms. Jezmir.

(5) Includes 26,467 Class A Ordinary Shares issuable upon exercise of currently exercisable options.

(6) Represents securities held by Numberbubble, S.A., an entity controlled by Mr. Teixeira Wahnon. Mr. Teixeira Wahnon disclaims beneficial interest of such securities except to the extent of his pecuniary interest therein. Includes 80,750 Class A Ordinary Shares underlying Warrants. In addition, Mr. Teixeira has 71,667 options & RSUs currently exercisable into Class A Ordinary Shares.

(7) Represents securities held by Key Family Holding Investimentos e Consultoria de Gestão, Lda. (“KFH”), an entity jointly owned and controlled by Mr. Figueira de Chaves and his brother. Mr. Figueira de Chaves disclaims beneficial interest of such securities except to the extent of his pecuniary interest therein. Includes 206,125 Class A Ordinary Shares underlying Warrants. Mr. Figueira de Chaves has 71,667 options and restricted stock units currently exercisable into Class A Ordinary Shares.

(8) Includes 71,667 Class A Ordinary Shares issuable upon options and restricted stock units currently exercisable into Class A Ordinary Shares.

(9) Represents securities held by Negordy Investments, S.A. There are four shareholders of Negordy Investments, S.A., none of which has voting or dispositive control over the securities held thereby. The voting and dispositive decisions regarding the portfolio securities of Negordy Investments, S.A. require unanimous approval of shareholders of Negordy Investments , S.A. The business address of Negordy Investments , S.A. is Rua da Fábrica S/N, Almargem do Bispo, Portugal. Includes 1,593,750 Class A Ordinary Shares underlying Warrants.

(10) Includes 610,892 Class A Ordinary Shares underlying Warrants. Does not include shares held by Jeffrey Schwarz, Benjamin Schwarz, or the Jeffrey Schwarz Children’s Trust because Ms. Schwarz has neither voting nor investment power over such shares. Ms. Schwarz disclaims beneficial ownership over such shares except to the extent of her pecuniary interest therein.

(11) Includes 1,042,118 Class A Ordinary Shares issuable upon the exercise of Warrants. The Class A Ordinary Shares and Warrants are held by MAK Capital Fund LP (“MAK Fund”), of which MAK Capital One LLC (“MAK Capital”) serves as investment manager. Mr. Michael A. Kaufman is the managing member of MAK Capital. The principal business address of MAK Capital Fund LP is c/o Wakefield Quin, Victoria Street, Bermuda. The principal business address of MAK Capital and Mr. Kaufman is 590 Madison Avenue, Suite 2401, New York, NY 10022. Information derived from a Schedule 13D/A filed on April 5, 2022.

B. Related Party Transactions

Related Party Policy

Parent’s Code of Ethics, which was adopted on December 4, 2020, in connection with the consummation of the Transactions, requires Parent to avoid, wherever possible, all related party transactions that could result in actual or potential conflicts of interests, except under guidelines approved by the board of directors (or the audit committee). Related-party transactions are defined as transactions in which (1) the aggregate amount involved will or may be expected to exceed $120,000 in any calendar year, (2) Parent or any of its subsidiaries is a participant, and (3) any (a) executive officer, director or nominee for election as a director, (b) greater than 5% beneficial owner of Class A Ordinary Shares, or (c) immediate family member, of the persons referred to in clauses (a) and (b), has or will have a direct or indirect material interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity). A conflict of interest situation can arise when a person takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise if a person, or a member of his or her family, receives improper personal benefits as a result of his or her position.

Parent requires each director and executive officer to annually complete a directors' and officers' questionnaire that elicits information about related party transactions.

Parent's audit committee, pursuant to its written charter, is responsible for reviewing and approving related-party transactions to the extent Parent enters into such transactions. Parent will not enter into any such transaction unless the audit committee and a majority of the disinterested "independent" directors determine that the terms of such transaction are no less favorable to Parent than those that would be available to Parent with respect to such a transaction from unaffiliated third parties. Additionally, in connection with the review and approval of such transactions, Parent's board of directors will have access, at Parent's expense, to Parent's attorneys or independent legal counsel.

These procedures are intended to determine whether any such related party transaction impairs the independence of a director or presents a conflict of interest on the part of a director, employee or officer.

Related Party Transactions

Some of the shareholders and founders of Negordy Investment, S.A. ("Negordy") founded MagP, a company that produces, installs, operates and maintains proprietary solar CPV technology. MagP is the successor to the business of MagPower, a company also founded by some of the founders of Fusion Welcome. Negordy is a 71% shareholder of MagP, and the remaining 29% of MagP is owned by other parties unrelated to Negordy or Fusion Fuel Portugal.

Transactions with MagP

Fusion Fuel's proprietary HEVO-Solar technology incorporates CPV solar technology components that are produced by MagP and have been produced by MagP (or its predecessor MagPower) for several years. The CPV technology produced by MagP has been used in solar CPV plants for over 10 years with excellent performance results, with failure rates of around 1% measured over a span of approximately ten years, which means that the trackers require very little maintenance and repair. MagP is the only supplier of CPV technology in Europe. By having this relationship with MagP, Fusion Fuel can avoid the lengthy and costly learning curve of establishing its own CPV production facilities that would be required of most other competitors in the industry and can focus on its core value-add of R&D and business development.

Fusion Fuel Portugal has three contracts with MagP that are or were, when effective, critical to its business: (1) the Production Agreements, (2) the provision of services agreement and (3) the Sub-Lease Agreement.

Under the Production Agreement, MagP guarantees to supply to Fusion Fuel all materials and installations for 1,100 Trackers over a 12-month period which commenced at the beginning of 2021. The original contract entered into between MagP and Fusion Fuel had a total contract value of €25.8 million, included in which was a 10% down payment due on execution of the contract. The remaining value of the contract included milestone payments achieved on the completion of a defined quantity of Solar Concentrators, Receivers and Modules. In addition, 5% of the contract value was payable on supply of the 1,100 Trackers. This contract also set out the terms and conditions around the materials that would be used by MagP to assemble and install the Trackers. The contract stipulated that Fusion Fuel would purchase the materials and then transfer them to MagP for assembly and installation. Effective from January 1, 2022, this contract was amended to both reduce the quantity of Trackers to be supplied by MagP and to change the pricing. The quantity was reduced to 700 and the price for assembling the materials for each Tracker was agreed at €7,000 per Tracker. The yearly minimum commitment under this contract became €4.9 million as a result of these amendments. If Fusion Fuel requests MagP to postpone or delay production, the commitment to pay the full value of the minimum contract value remains. From January 1, 2022 through December 31, 2022, Fusion Fuel has incurred an aggregate of €4.63 million for services provided by MagP under the Production Agreement. At the beginning of 2023, the parties agreed to remove the yearly minimum commitment and provide the quantities to be produced on a quarterly basis.

Fusion Fuel Portugal entered into two contracts with MagP regarding the development of its Evora project, one for each phase of the project. The contracts include the production and delivery of units to the hydrogen plant and the warranties related to these units. From January 1, 2022 through December 31, 2022, Fusion Fuel has incurred an aggregate of €0.22 million for services provided by MagP under the Evora Agreements.

The provision for services contract had an effective date of January 1, 2021. The following services are provided by MagP under this contract: purchasing & logistics, maintenance, general administrative services and certain research and development activities. The monthly fee charged by MagP under this contract is €35,150. On January 1, 2022, this contract was amended to reduce the level of services provided by MagP. The revised monthly fee charged under the amended contract is now €34,650. During 2022, this contract was amended to further reduce the level of services provided by MagP. The revised monthly fee charged under the amended contract is now €21,450.

In 2020, Fusion Fuel entered into an IP Transfer Agreement with MagP which transferred all intellectual property rights to the technology associated with the Trackers implemented in the HEVO-Solars. This provided Fusion Fuel with full ownership of the products created by MagP as described in the IP Transfer Agreement, and provides that MagP will do all work associated with adapting its CPV module, solar tracker and other components required for its technology to be compatible with Fusion Fuel's proprietary HEVO-Solar technology. Under the IP Transfer Agreement, the total consideration to be paid by Fusion Fuel includes €1,000,000 for all rights to the technology to be paid in quarterly installments over one year, which commenced upon completion of the Transactions with the payment of the initial installment of €250,000, and a single payment of €900,000 for product and technology development costs, which was paid on the completion of the Transactions. Each such amount is subject to applicable VAT charges. Currently Fusion Fuel has the right to use such intellectual property but will not have full ownership of such intellectual property until all such payments are made. The first payments of €900,000 and first installment of €250,000, of this agreement were made in December of 2020. During 2021, Fusion Fuel made two subsequent payments of €250,000 each. The final payment of €250,000 was made in May 2022.

Transactions with Negordy

On January 1, 2021, the Group entered into a sub-lease agreement with Negordy for space of 4,156 square meters of office, logistical, and industrial activities. Parking plots are also included. The sub-lease has an initial term of five years, with automatic renewal for additional terms of five years until either party notifies the other party of its intention not to renew. Either party can choose to terminate the agreement after 12 months once adequate communication is provided to the other party. The monthly rent determined by the sub-lease is fixed at €0.02 million.

Related Party Loans

During 2022, Parent paid certain tax liabilities arising from the vesting of RSUs on behalf of three of its directors; Frederico Figueira de Chaves, João Wahnon and Jaime Silva. The individual liability for each of the three directors amounted to €27,098. All three directors repaid Parent before the end of 2022.

During 2021, the Company made a payment on behalf of Rune Lundetrae, a board member, amounting to €0.03 million. At December 31, 2022, this amount remained outstanding and was subsequently repaid on March 20, 2023.

C. Interests of Experts and Counsel

Graubard Miller, United States securities counsel to Parent, and certain of its partners beneficially own less than 1% of Parent's outstanding Class A Ordinary Shares.

ITEM 8. FINANCIAL INFORMATION

A. Consolidated Financial Statements and Other Financial Information

Consolidated Financial Statements

See Item 18 of this Annual Report, "*Financial Statements*."

Legal Proceedings

None.

Dividend Policy

We currently do not expect to pay any cash dividends on Class A Ordinary Shares. Any future determination to pay cash dividends or other distributions on Class A Ordinary Shares will be at the discretion of the board of directors and will be dependent on our earnings, financial condition, operating results, capital requirements, and contractual, regulatory and other restrictions, including restrictions contained in the agreements governing any existing and future outstanding indebtedness we or our subsidiaries incur, on the payment of dividends by our subsidiaries to us, and other factors that our board of directors deems relevant.

B. Significant Changes

Except for the events described in Item 5 of this Annual Report, "*Operating and Financial Review and Prospects—Recent Developments*," we have not experienced any significant changes since the date of our audited annual consolidated financial statements included in this Annual Report.

ITEM 9. THE OFFER AND LISTING

A. Offer and Listing Details

The Class A Ordinary Shares and Warrants are listed on the Nasdaq Capital Market under the symbols "HTOO" and "HTOOW," respectively. Parent's securities are not listed on any exchange or traded in any market outside of the U.S.

B. Plan of Distribution

Not applicable.

C. Markets

See Item 9.A of this Annual Report, "*Offer and Listing Details*."

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

ITEM 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

See Exhibit 3.1 of this Annual Report, which is incorporated herein by reference.

C. Material Contracts

Amended and Restated Business Combination Agreement

On August 25, 2020, Parent entered into the Business Combination Agreement with HL, Fusion Fuel Portugal, Merger Sub, and the former Fusion Fuel Shareholders. Pursuant to the Business Combination Agreement, on December 10, 2020 (i) the Merger occurred, whereby Merger Sub merged with and into HL, with HL being the surviving entity of the Merger and becoming a wholly-owned subsidiary of Parent, and (ii) the Share Exchange occurred, whereby Parent acquired all of the issued and outstanding shares of Fusion Fuel Portugal, resulting in Fusion Fuel Portugal and HL becoming wholly-owned subsidiaries of Parent and the securityholders of Fusion Fuel Portugal and HL becoming securityholders of Parent.

Upon consummation of the Share Exchange, the Fusion Fuel Shareholders holding ordinary shares received their pro rata portion of an aggregate of 2,125,000 Class B Ordinary Shares and 2,125,000 Warrants.

Certain Fusion Fuel Shareholders who formerly held Class A shares of Fusion Fuel Portugal also had the right to receive their pro rata portion of up to an aggregate of 284,250 Class A Ordinary Shares and 284,250 Warrants upon the signing of agreements for the production and supply by Fusion Fuel Portugal or its affiliates of green hydrogen to certain purchasers (or, in the case of the first of such agreements, certain milestones with respect to performance under the agreement) prior to June 30, 2022. The total number of shares and warrants earnable for each such production agreement was to be equal to twenty percent of the net present value of the agreement divided by €10.73, representing the aggregate agreed value of one Class A Ordinary Share and one Warrant.

The parties agreed to a list of "qualifying counterparties" for purposes of the earnout. The aggregate number of Class A Ordinary Shares and Warrants earnable with respect to each project with a qualifying counterparty was equal to the *quotient* of (i) twenty percent (20%) of the net present value of the production agreement divided by (ii) €10.73, representing the aggregate agreed value of one Class A Ordinary Share and one Warrant. The "net present value" of a production agreement was equal to (x) the sum of the projected unlevered free cash flows of the project each year, using a discount rate of seven percent (7%), *less* (y) the projected initial investment for the project, assuming a two percent (2%) management fee and no contingency.

The milestones, and shares earnable, with respect to performance under the first production agreement were as follows: (i) two-fifths of the contingent consideration earnable for the first production agreement would be paid upon the signing of the production agreement; (ii) one-fifth of the contingent consideration earnable for the first production agreement would be paid upon commencement of operations under the production agreement; and (iv) two-fifths of the contingent consideration earnable for the first production agreement would be paid after ninety days of operation at ninety-five percent (95%) of nameplate capacity. For each subsequent production agreement, all contingent consideration earnable for such agreement would be paid when such agreement is signed.

On December 31, 2021, Parent, Fusion Welcome, and certain Fusion Fuel Shareholders (the "Forfeiting Shareholders") constituting three of the four Fusion Fuel Shareholders entitled to contingent consideration under the Business Combination Agreement, entered into a Contingent Consideration Forfeiture Agreement (the "Forfeiture Agreement"), pursuant which the Forfeiting Shareholders agreed to forfeit their right to such contingent consideration. The forfeiture by the Forfeiting Shareholders pursuant to the Forfeiture Agreement had no effect on the fourth Fusion Fuel Shareholder, FalcFive, LDA, whose right to Contingent Consideration arising under the Business Combination Agreement remained in effect.

The milestones set forth above were not achieved by June 30, 2022. Accordingly, the right to receive the Contingent Consideration expired at such time.

PIPE Subscription Agreements

On August 13, 2020, Parent and HL jointly engaged Fearnley as joint lead manager in connection with the private placement of Class A Ordinary Shares. As of August 25, 2020, Parent entered into subscription agreements with the PIPE Investors to issue an aggregate of 2,450,000 Class A Ordinary Shares at a price of $10.25 per share, for aggregate gross proceeds to Parent of $25,112,500. Immediately following the closing of the Transactions, Parent consummated the closing of the subscription agreements with the PIPE Investors for the sale in a private placement of 2,450,000 Class A Ordinary Shares at a price of $10.25 per share for gross proceeds to Parent of approximately $25.1 million.

Fearnley was paid an aggregate of $944,476, which represented a success fee of 3.5% of the gross proceeds received from sale of the Class A Ordinary Shares by Fearnley, and an additional 50% of 3.5% of the gross proceeds received from the sale of Class A Ordinary Shares introduced by persons other than Fearnley, an additional discretionary fee of 0.25% of the aggregate gross proceeds received from the sale of the Class A Ordinary Shares, and reimbursement of Fearnley's legal expenses.

UPO Exchange Agreement

EBC, on behalf of itself and the other holders of unit purchase options of HL, entered into a UPO Exchange Agreement on December 10, 2020, pursuant to which the outstanding Unit Purchase Options of HL were exchanged for an aggregate of 50,000 HL ordinary shares, which HL ordinary shares were automatically converted into an aggregate of 50,000 Class A Ordinary Shares upon the consummation of the Transactions.

Amended and Restated Stock Escrow Agreement

On December 10, 2020, in connection with the consummation of the Transactions and as contemplated by the Business Combination Agreement, Parent entered into an amended and restated stock escrow agreement ("Amended and Restated Stock Escrow Agreement") with HL, certain initial shareholders of HL, and Continental Stock Transfer and Trust Company, as escrow agent ("Continental"), pursuant to which Parent became a party to the existing escrow agreement among HL, its initial shareholders, and Continental, and all references to securities of HL became references to Parent's securities. The purpose of the Amended and Restated Stock Escrow Agreement is to ensure that the Class A Ordinary Shares received by the former shareholders of HL in the Merger will remain subject to the escrow restrictions as set forth in the existing stock escrow agreement entered into by such persons in connection with HL's initial public offering.

The foregoing description is qualified in its entirety by the text of the Amended and Restated Stock Escrow Agreement, which is included as Exhibit 10.3 hereto and is incorporated herein by reference.

Amended and Restated Registration Rights Agreement

On December 10, 2020, in connection with the consummation of the Transactions and as contemplated by the Business Combination Agreement, Parent entered into an amended and restated registration rights agreement ("Amended and Restated Registration Rights Agreement") with certain initial shareholders of HL, the Fusion Fuel Shareholders, and Parent's directors. The Amended and Restated Registration Rights Agreement provides such persons with customary demand registration rights and piggy-back registration rights with respect to registration statements filed by Parent.

The foregoing description is qualified in its entirety by the text of the Amended and Restated Registration Rights Agreement, which is included as Exhibit 10.4 hereto and is incorporated herein by reference.

Indemnification Escrow Agreement

The Business Combination Agreement provides for mutual indemnification by HL and the Fusion Fuel Shareholders for breaches of their respective representations, warranties, and covenants. Claims for indemnification may be asserted once damages exceed a €750,000 threshold and will be reimbursable to the full extent of the damages in excess of such threshold. Claims for indemnification must be brought before the tenth business day after Parent files its annual report for the fiscal year ending December 31, 2021. To provide a source of funds for HL's indemnification of Fusion Fuel Portugal, Parent reserved for issuance to the Fusion Fuel Shareholders an additional 212,500 Class A Ordinary Shares. To provide a source of funds for the Fusion Fuel Shareholders' indemnification of HL, on December 10, 2020, Parent, Fusion Fuel Portugal, HL, Fusion Welcome, S.A., as representative of the Fusion Fuel Shareholders, Jeffrey Schwarz, as representative of the HL shareholders, and Continental as escrow agent, entered into an indemnification escrow agreement ("Indemnification Escrow Agreement") pursuant to which Parent deposited an aggregate of 212,500 Class B Ordinary Shares in escrow with Continental.

The foregoing description of the Indemnification Escrow Agreement is qualified in its entirety by the text of the Indemnification Escrow Agreement, which is included as Exhibit 10.5 hereto and is incorporated herein by reference.

Amended and Restated Warrant Agreement

On December 10, 2020, in connection with the consummation of the Transactions and as contemplated by the Business Combination Agreement, Parent, HL, and Continental entered into a novation agreement ("Novation Agreement"), pursuant to which Parent assumed by way of novation all of the liabilities, duties, and obligations of HL under and in respect of the existing warrant agreement. Parent and Continental also entered into an amended and restated warrant agreement ("Amended and Restated Warrant Agreement"), pursuant to which all references to HL's warrants in the existing warrant agreement were revised to become references to Parent's Warrants and Parent's Warrants to be issued to the Fusion Fuel Shareholders in the Transactions, including as contingent consideration, are covered.

The foregoing description is qualified in its entirety by the text of the Novation Agreement and the Amended and Restated Warrant Agreement, which are included as Exhibits 4.3.1 and 4.3.2 hereto and are incorporated herein by reference.

At Market Issuance Sales Agreement

On June 6, 2022, Parent entered into an At Market Issuance Sales Agreement (the "ATM Agreement") with B. Riley Securities, Inc., Fearnley Securities Inc. and H.C. Wainwright & Co., LLC, as the sales agents (each, an "Agent," and together, the "Agents"), pursuant to which Parent may offer and sell, from time to time through or to the Agents, as sales agent or principal, its Class A ordinary shares (the "ATM Shares") having an aggregate offering price of up to $30,000,000 (the "ATM Offering").

Under the ATM Agreement, the Agents may sell ATM Shares by any method permitted by law deemed to be an "at the market offering" as defined in Rule 415 promulgated under the Securities Act.

Parent will pay the Agents a commission of 3.0% of the aggregate gross sales prices of the ATM Shares. Parent will also reimburse the Agents for fees and disbursements of counsel to the Agents in an amount not to exceed $60,000 in connection with the signing of the Agreement and $5,000 per calendar quarter in connection with updates to the documentation provided under the ATM Agreement. A.G.P./Alliance Global Partners is acting as Parent's financial advisor in connection with the ATM Offering, for which Parent will pay A.G.P./Alliance Global Partners certain advisory fees. Parent will receive a rebate against the commissions payable under the Agreement in an amount equal to such advisory fees.

Parent intends to use the net proceeds from the ATM Offering for working capital and general corporate purposes.

The Agreement contains customary representations and warranties, covenants and indemnification and contribution obligations, including indemnification and contribution for liabilities under the Securities Act. The ATM Agreement may be terminated (i) by Parent at any time in its sole discretion by giving five business days' written notice to the Agents, (i) by an Agent, but solely with respect to such Agent's participation in the ATM Offering, at any time in its sole discretion by giving notice to Parent if certain events have occurred, or (iii) by an Agent, but solely with respect to such Agent's participation in the ATM Offering, at any time in its sole discretion by giving five business days' written notice to the Company.

The Shares are being offered and sold pursuant to Parent's effective shelf registration statement under the Securities Act on Form F-3 (File No. 333-264714), which was declared effective by the SEC on May 13, 2022, and the prospectus supplement relating to the Shares, dated June 6, 2022, which Parent filed with the SEC pursuant to Rule 424(b)(5) under the Securities Act on June 6, 2022.

We sold an aggregate of 681,926 Class A ordinary shares under the ATM Agreement for net proceeds of $3,685,792 at an average sales price of $6.10 per share during the year ended December 31, 2022. We paid an aggregate of $110,574 in commissions to the Agents in connection with these sales.

The foregoing description is qualified in its entirety by the text of the ATM Agreement, which is included as Exhibit 10.6 hereto and is incorporated herein by reference.

Fusion Fuel Spain Shareholders Agreement

During 2021, the Group extended a participating loan to finance the growth and working capital needs of Fusion Fuel Spain S.L, an entity in which the Company has joint control. The arrangement is set forth in a Shareholders Agreement between the parties. The loan facility has a term of five years and the maximum amount that can be drawn down is €2 million . €0.20 million had been drawn down during the year ended December 31, 2022 and the costs paid by the Group on behalf of Fusion Fuel Spain, €0.43 million, have been treated as an advancement of this loan for accounting purposes. An amount of €0.74 million had yet to be drawn down at December 31, 2022.

The foregoing description is qualified in its entirety by the text of the Shareholders Agreement, which is included as Exhibit 10.17 hereto and is incorporated herein by reference.

Sale Leaseback

On December 16, 2022, the Company and its wholly owned subsidiary, Fusion Fuel Portugal, S.A. (the "Company Sub"), entered into a Promissory Sale and Purchase Agreement (the "Sale Agreement") with SCPI Corum Eurion - Sucursal EM Portugal ("CORUM Eurion"), providing for a sale-leaseback transaction with respect to its electrolyzer manufacturing factory located in Vale Tripeiro Industrial Park in Benavente, Portugal (the "Property"), with the Company Sub as the seller and lessee and CORUM Eurion as the purchaser and lessor.

On December 20, 2022, the parties completed the transactions contemplated by the Sale Agreement. Subject to the terms and conditions of the Sale Agreement, the Company Sub sold, and CORUM Eurion purchased, the Property, for a purchase price of €9,325,000, less approximately €926,000 in holdbacks and approximately €868,631 in setoffs for amounts due by the Company Sub to CORUM Eurion under the related Lease Agreement (as defined below). The Company Sub agreed to take certain post-completion actions, including performing certain designated work on the Property. The holdbacks are to secure compliance with the obligation to perform such work and will be released to the Company Sub as the work is completed. If any of such work is not completed by the specified deadline set forth in the Sale Agreement, the corresponding portion of the holdback will be kept by CORUM Eurion. The Sale Agreement includes representations and warranties of the parties and other terms and conditions that are customary for agreements of its type.

At the completion of the transactions, the Company, as guarantor, and the Company Sub, as tenant, entered into a lease agreement (the "Lease Agreement") with CORUM Eurion, as landlord, pursuant to which the Company Sub leased the Property back from CORUM Eurion. The Lease Agreement has an initial term of 20 years and automatically renews for an additional term of 10 years unless the Company Sub notifies CORUM Eurion of its election not to renew the lease at least 18 months prior to the end of the initial term. The Lease Agreement provides for a monthly rent of €50,000 (subject to annual increase based on the Portuguese consumer price index excluding housing). The Company Sub will bear all expenses, including utilities and property taxes, for the Property. To guarantee the fulfillment of its obligations under the Lease Agreement, the Company Sub made a cash deposit of €800,000 and delivered a bank guarantee of €100,000 (in each case, subject to annul review on the same basis as the rent). The Lease Agreement contains other terms and conditions that are customary for leases of its type.

The foregoing descriptions are qualified in their entirety by the text of the Sale Agreement and Lease Agreement, respectively, which are included as Exhibits 10.18 and 10.19 hereto and are incorporated herein by reference.

Other Material Contracts

The description of our other material contracts is contained in Item 4 "*Business Overview — Working Capital Items*" of this Annual Report, which is incorporated herein by reference.

D. Exchange Controls

Under the laws of Ireland, there are currently no restrictions on the export or import of capital, including foreign exchange controls or restrictions that affect the remittance of dividends, interest or other payments to nonresident holders of our ordinary shares.

E. Taxation

ANTICIPATED MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO U.S. HOLDERS OF PARENT SECURITIES

General

The discussion below of the anticipated U.S. federal income tax consequences to "U.S. Holders" will apply to a beneficial owner of securities that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation) that is created or organized (or treated as created or organized) in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust if (i) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust, or (ii) it has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a beneficial owner of securities is not described as a U.S. Holder and is not an entity or arrangement treated as a partnership or other pass-through entity for U.S. federal income tax purposes, such owner will be considered a "Non-U.S. Holder." The anticipated material U.S. federal income tax consequences applicable specifically to Non-U.S. Holders of the ownership and disposition of Parent securities following the Transaction are described below under the heading "*Non-U.S. Holders*."

This discussion is based upon existing provisions of the Internal Revenue Code of 1986, as amended ("Code"), Treasury regulations promulgated thereunder, published revenue rulings and procedures from the U.S. Internal Revenue Service ("IRS"), and judicial decisions, all as currently in effect. These authorities are subject to change or differing interpretations, possibly on a retroactive basis.

This discussion does not address all aspects of U.S. federal income taxation that may be relevant to any particular holder based on such holder's individual circumstances. In particular, this discussion considers only holders that own and hold securities, and that will own and hold securities as a result of owning the corresponding HL securities, as capital assets within the meaning of Section 1221 of the Code. This discussion does not address the alternative minimum tax or the U.S. federal income tax consequences to holders that are subject to special rules, including:

- financial institutions or financial services entities;
- broker-dealers;
- persons that are subject to the mark-to-market accounting rules under Section 475 of the Code;
- tax-exempt entities;

- governments or agencies or instrumentalities thereof;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- certain expatriates or former long-term residents of the United States;
- Non-U.S. Holders (except as specifically provided below);
- persons that actually or constructively own five percent (5%) or more of Parent's securities (except as specifically provided below);
- persons that acquired Parent securities pursuant to an exercise of employee options, in connection with employee incentive plans or otherwise as compensation;
- persons that hold Parent securities as part of a straddle, constructive sale, hedging, redemption or other integrated transaction;
- persons whose functional currency is not the U.S. dollar; or
- controlled foreign corporations.

This discussion does not address any aspect of U.S. federal non-income tax laws, such as gift or estate tax laws, state, local or non-U.S. tax laws or, except as discussed herein, any tax reporting obligations of a holder of Parent securities. Additionally, this discussion does not consider the tax treatment of partnerships or other pass-through entities or persons who hold Parent securities through such entities. If a partnership (or other entity or arrangement classified as a partnership for U.S. federal income tax purposes) is the beneficial owner of Parent securities, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. This discussion also assumes that any distribution made (or deemed made) on Parent securities and any consideration received (or deemed received) by a holder in consideration for the sale or other disposition of or Parent securities will be in U.S. dollars.

Parent has not sought, and will not seek, a ruling from the IRS as to any U.S. federal income tax consequence described herein. The IRS may disagree with the description herein, and its determination may be upheld by a court. Moreover, there can be no assurance that future legislation, regulations, administrative rulings or court decisions will not adversely affect the accuracy of the statements in this discussion.

BECAUSE OF THE COMPLEXITY OF THE TAX LAWS AND BECAUSE THE TAX CONSEQUENCES TO ANY PARTICULAR HOLDER OF PARENT SECURITIES MAY BE AFFECTED BY MATTERS NOT DISCUSSED HEREIN, EACH HOLDER OF PARENT SECURITIES IS URGED TO CONSULT WITH ITS OWN TAX ADVISOR WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES TO SUCH HOLDER OF THE OWNERSHIP AND DISPOSITION OF PARENT SECURITIES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, AND NON-U.S. TAX LAWS, AS WELL AS U.S. FEDERAL TAX LAWS AND ANY APPLICABLE TAX TREATIES.

THE FOLLOWING SUMMARIES OF THE TAX CONSIDERATIONS ARE FOR GENERAL INFORMATION ONLY AND ARE NOT INTENDED TO PROVIDE ANY DEFINITIVE TAX REPRESENTATIONS TO HOLDERS. EACH SECURITYHOLDER SHOULD CONSULT HIS OR HER TAX ADVISOR AS TO THE PARTICULAR CONSEQUENCES THAT MAY APPLY TO SUCH SECURITYHOLDER.

U.S. Holders

Taxation of Cash Distributions Paid on Class A Ordinary Shares

Subject to the passive foreign investment company rules discussed below, a U.S. Holder of Class A Ordinary Shares generally will be expected to be required to include in gross income as ordinary income the amount of any cash or property distribution paid on the Class A Ordinary Shares. A cash distribution on such securities generally will be treated as a dividend for U.S. federal income tax purposes to the extent the distribution is paid out of Parent's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). The portion of such distribution, if any, in excess of such earnings and profits generally will constitute a return of capital that will be applied against and reduce (but not below zero) the U.S. Holder's adjusted tax basis in its Class A Ordinary Shares. Any remaining excess generally would be treated as gain from the sale or other disposition of the Parent securities and will be treated as described under "— *Taxation on the Disposition of Parent Securities*" below. With respect to non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to qualified dividend income, provided that (1) the Class A Ordinary Shares are readily tradable on an established securities market in the United States, or Parent is eligible for the benefits of an approved qualifying income tax treaty with the United States that includes an exchange of information program, (2) Parent is not a passive foreign investment company (as discussed below) for either the taxable year in which the dividend is paid or the preceding taxable year, and (3) certain holding period requirements are met. You are urged to consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to Class A Ordinary Shares.

Taxation on the Disposition of Parent Securities

Upon a sale or other taxable disposition of Parent securities (which, in general, would include a distribution in connection with Parent's liquidation), a U.S. Holder of such securities generally is expected to recognize capital gain or loss in an amount equal to the difference between the amount realized and the U.S. Holder's adjusted tax basis in such securities.

Subject to the passive foreign investment company rules discussed below, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of Class A Ordinary Shares equal to the difference between the amount realized (in U.S. dollars) for the Class A Ordinary Shares and your tax basis (in U.S. dollars) in the Class A Ordinary Shares. The gain or loss will be capital gain or loss. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, who has held the Class A Ordinary Shares for more than one year, you may be eligible for reduced tax rates on any such capital gains. The deductibility of capital losses is subject to various limitations.

Passive Foreign Investment Company ("PFIC")

A non-U.S. corporation is considered a PFIC for any taxable year if either:

- at least 75% of its gross income for such taxable year is passive income; or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income (the "asset test").

Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. Parent will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, at least 25% (by value) of the stock. In determining the value and composition of its assets for purposes of the PFIC asset test, (1) the cash Parent owns at any time will generally be considered to be held for the production of passive income and (2) the value of Parent's assets must be determined based on the market value of Class A Ordinary Shares from time to time, which could cause the value of its non-passive assets to be less than 50% of the value of all of its assets (including cash) on any particular quarterly testing date for purposes of the asset test. Parent must make a separate determination each year as to whether it is a PFIC. Parent will make this determination following the end of any particular tax year. If Parent is a PFIC for any year during which you hold Class A Ordinary Shares, it will continue to be treated as a PFIC for all succeeding years during which you hold Class A Ordinary Shares. However, if Parent ceases to be a PFIC and you did not previously make a timely "mark-to-market" election as described below, you may avoid some of the adverse effects of the PFIC regime by making a "purging election" (as described below) with respect to the Class A Ordinary Shares.

If Parent is a PFIC for any taxable year(s) during which you hold Class A Ordinary Shares, you will be subject to special tax rules with respect to any "excess distribution" that you receive and any gain you realize from a sale or other disposition (including a pledge) of the Class A Ordinary Shares, unless you make a "mark-to-market" election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the ordinary shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Class A Ordinary Shares;
- the amount allocated to your current taxable year, and any amount allocated to any of your taxable year(s) prior to the first taxable year in which Parent was a PFIC, will be treated as ordinary income, and
- the amount allocated to each of your other taxable year(s) will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Class A Ordinary Shares cannot be treated as capital, even if you hold the Class A Ordinary Shares as capital assets.

A U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election for such stock to elect out of the tax treatment discussed above. If you make a mark-to-market election for first taxable year which you hold (or are deemed to hold) Class A Ordinary Shares and for which Parent is determined to be a PFIC, you will include in your income each year an amount equal to the excess, if any, of the fair market value of the Class A Ordinary Shares as of the close of such taxable year over your adjusted basis in such Class A Ordinary Shares, which excess will be treated as ordinary income and not capital gain. You are allowed an ordinary loss for the excess, if any, of the adjusted basis of the Class A Ordinary Shares over their fair market value as of the close of the taxable year. However, such ordinary loss is allowable only to the extent of any net mark-to-market gains on the Class A Ordinary Shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Class A Ordinary Shares, are treated as ordinary income. Ordinary loss treatment also applies to any loss realized on the actual sale or disposition of the Class A Ordinary Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Class A Ordinary Shares. Your basis in the Class A Ordinary Shares will be adjusted to reflect any such income or loss amounts. If you make a valid mark-to-market election, the tax rules that apply to distributions by corporations which are not PFICs would apply to distributions by Parent, except that the lower applicable capital gains rate for qualified dividend income discussed above under *"— Taxation of Cash Distributions Paid on Parent Securities*" generally would not apply.

The mark-to-market election is available only for "marketable stock", which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter ("regularly traded") on a qualified exchange or other market (as defined in applicable U.S. Treasury regulations), including Nasdaq. If the Class A Ordinary Shares are regularly traded on Nasdaq and if you are a U.S. Holder of Class A Ordinary Shares, the mark-to-market election would be available to you if Parent is or becomes a PFIC.

Alternatively, a U.S. Holder of stock in a PFIC may make a "qualified electing fund" election with respect to such PFIC to elect out of the tax treatment discussed above. A U.S. Holder who makes a valid qualified electing fund election with respect to a PFIC will generally include in gross income for a taxable year such holder's pro rata share of the corporation's earnings and profits for the taxable year. However, the qualified electing fund election is available only if such PFIC provides such U.S. Holder with certain information regarding its earnings and profits as required under applicable U.S. Treasury regulations. Parent does not currently intend to prepare or provide the information that would enable you to make a qualified electing fund election. If you hold Class A Ordinary Shares in any taxable year in which Parent is a PFIC, you will be required to file IRS Form 8621 in each such year and provide certain annual information regarding such Class A Ordinary Shares, including regarding distributions received on the Class A Ordinary Shares and any gain realized on the disposition of the Class A Ordinary Shares.

If you do not make a timely "mark-to-market" election (as described above), and if Parent were a PFIC at any time during the period you hold Class A Ordinary Shares, then such Class A Ordinary Shares will continue to be treated as stock of a PFIC with respect to you even if Parent ceases to be a PFIC in a future year, unless you make a "purging election" for the year Parent ceases to be a PFIC. A "purging election" creates a deemed sale of such Class A Ordinary Shares at their fair market value on the last day of the last year in which Parent is treated as a PFIC. The gain recognized by the purging election will be subject to the special tax and interest charge rules treating the gain as an excess distribution, as described above. As a result of the purging election, you will have a new basis (equal to the fair market value of the Class A Ordinary Shares on the last day of the last year in which Parent is treated as a PFIC) and holding period (which new holding period will begin the day after such last day) in your Class A Ordinary Shares for tax purposes.

You are urged to consult your tax advisors regarding the application of the PFIC rules to your investment in Class A Ordinary Shares and the elections discussed above.

Information Reporting and Backup Withholding

Certain U.S. Holders are required to report information to the IRS relating to an interest in "specified foreign financial assets," including shares issued by a non-U.S. corporation, for any year in which the aggregate value of all specified foreign financial assets exceeds US$50,000 (or a higher dollar amount prescribed by the IRS), subject to certain exceptions (including an exception for shares held in custodial accounts maintained with a United States financial institution). These rules also impose penalties if a U.S. Holder is required to submit such information to the IRS and fails to do so.

Dividend payments with respect to Class A Ordinary Shares and proceeds from the sale, exchange or redemption of Class A Ordinary Shares may be subject to information reporting to the IRS and possible U.S. backup withholding at a current rate of 24%. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification on IRS Form W-9 or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on IRS Form W-9. U.S. Holders are urged to consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and timely furnishing any required information. Transactions effected through certain brokers or other intermediaries may be subject to withholding taxes (including backup withholding), and such brokers or intermediaries may be required by law to withhold such taxes.

ANTICIPATED MATERIAL IRISH TAX CONSEQUENCES TO NON-IRISH HOLDERS OF PARENT SECURITIES

Scope

The following is a summary of the anticipated material Irish tax consequences to Non-Irish Holders of the acquisition, ownership and disposal of Class A Ordinary Shares and Warrants. The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Annual Report and submissions which have been made to the Irish Revenue Commissioners. Changes in law and/or administrative practice may result in a change in the tax consequences described below, possibly with retrospective effect.

A "Non-Irish Holder" is an individual who beneficially owns their Class A Ordinary Shares and/or Warrants, that is neither a resident nor ordinarily resident in Ireland for Irish tax purposes and does not hold their Class A Ordinary Shares and/or Warrants, in connection with a trade carried on by such person through an Irish branch or agency.

This summary does not constitute tax advice and is intended only as a general guide. The summary is not exhaustive and securityholders should consult their tax advisors about the Irish tax consequences (and tax consequences under the laws of other relevant jurisdictions) of the acquisition, ownership and disposal of Class A Ordinary Shares and Warrants. The summary applies only to Non-Irish Holders who hold their Class A Ordinary Shares and/or Warrants, as capital assets and does not apply to other categories of Non-Irish Holders, such as dealers in securities, trustees, insurance companies, collective investment schemes and Non-Irish Holders who acquired, or are deemed to have acquired, their Class A Ordinary Shares and/or Warrants by virtue of an Irish office or employment (performed or carried on to any extent in Ireland).

The summary does not, except where expressly stated, consider the position of Non-Irish Holders who hold their Class A Ordinary Shares and/or Warrants directly (and not beneficially through a broker or custodian (through DTC)). The Irish tax consequences of transactions in Class A Ordinary Shares and/or Warrants held directly are generally negative when compared with Class A Ordinary Shares and/or Warrants held through DTC. Any Non-Irish Holder contemplating holding their Class A Ordinary Shares and/or Warrants directly should consult their personal tax advisors as to the Irish tax consequences of acquiring, owning and disposing of such Class A Ordinary Shares and/or Warrants.

Irish Tax on Chargeable Gains (Irish CGT)

The current rate of tax on chargeable gains (where applicable) in Ireland is 33%.

Non-Irish Holders will not be within the territorial scope of a charge to Irish CGT on a disposal of their Class A Ordinary Shares and/or Warrants, provided that such Class A Ordinary Shares and/or Warrants neither (a) were used in or for the purposes of a trade carried on by such Non-Irish Holder through an Irish branch or agency, nor (b) were used, held or acquired for use by or for the purposes of an Irish branch or agency.

Stamp Duty

The rate of stamp duty (where applicable) on transfers of shares or warrants of Irish incorporated companies is 1% of the greater of the price paid or market value of the shares or warrants acquired. Where Irish stamp duty arises it is generally a liability of the transferee. However, in the case of a gift or transfer at less than fair market value, all parties to the transfer are jointly and severally liable.

Irish stamp duty may be payable in respect of transfers of Class A Ordinary Shares and Warrants, depending on the manner in which the Class A Ordinary Shares and Warrants are held. Parent has entered into arrangements with DTC to allow the Class A Ordinary Shares and Warrants to be settled through the facilities of DTC. As such, the discussion below discusses separately the securityholders who hold their shares through DTC and those who do not.

Class A Ordinary Shares or Warrants Held Through DTC

The Irish Revenue Commissioners have confirmed to Parent that transfers of Class A Ordinary Shares and Warrants effected by means of the transfer of book entry interests in DTC will not be subject to Irish stamp duty.

Class A Ordinary Shares or Warrants Held Outside of DTC or Transferred Into or Out of DTC

A transfer of Class A Ordinary Shares or Warrants where any party to the transfer holds such Class A Ordinary Shares or Warrants outside of DTC may be subject to Irish stamp duty.

Holders of Class A Ordinary Shares or Warrants wishing to transfer their Class A Ordinary Shares or Warrants into (or out of) DTC may do so without giving rise to Irish stamp duty provided that:

- there is no change in the beneficial ownership of such shares as a result of the transfer; and
- the transfer into (or out of) DTC is not effected in contemplation of a sale of such shares or warrants by a beneficial owner to a third party.

Due to the potential Irish stamp charge on transfers of Class A Ordinary Shares and Warrants held outside of DTC, it is strongly recommended that those securityholders who do not hold their Parent securities through DTC (or through a broker who in turn holds such shares through DTC) should arrange for the transfer of their Parent securities into DTC as soon as possible.

Withholding Tax on Dividends (DWT)

Distributions made by Parent will, in the absence of one of many exemptions, be subject to DWT, currently at a rate of 25%.

For DWT and Irish income tax purposes, a distribution includes any distribution that may be made by Parent to holders of Class A Ordinary Shares, including cash dividends, non-cash dividends and additional stock taken in lieu of a cash dividend. Where an exemption from DWT does not apply in respect of a distribution made to a holder of Class A Ordinary Shares, Parent is responsible for withholding DWT prior to making such distribution.

General Exemptions

Irish domestic law provides that a non-Irish resident holder of Class A Ordinary Shares is not subject to DWT on distributions received from Parent if such holder of Class A Ordinary Shares is beneficially entitled to the distribution and is either:

- a person (not being a company) resident for tax purposes in a Relevant Territory (including the United States) and is neither resident nor ordinarily resident in Ireland (for a list of Relevant Territories for DWT purposes, please see Exhibit 99.1 to this Annual Report);
- a company resident for tax purposes in a Relevant Territory, provided such company is not under the control, whether directly or indirectly, of a person or persons who is or are resident in Ireland;
- a company that is controlled, directly or indirectly, by persons resident in a Relevant Territory and who is or are (as the case may be) not controlled by, directly or indirectly, persons who are not resident in a Relevant Territory;
- a company whose principal class of shares (or those of its 75% direct or indirect parent) is substantially and regularly traded on a stock exchange in Ireland, on a recognized stock exchange either in a Relevant Territory or on such other stock exchange approved by the Irish Minister for Finance; or
- a company that is wholly owned, directly or indirectly, by two or more companies where the principal class of shares of each of such companies is substantially and regularly traded on a stock exchange in Ireland, a recognized stock exchange in a Relevant Territory or on such other stock exchange approved by the Irish Minister for Finance

and provided, in all cases noted above (but subject to "*—Shares Held by U.S. Resident Shareholders*" below), Parent or, in respect of Class A Ordinary Shares held through DTC, any qualifying intermediary appointed by Parent, has received from the holder of such Class A Ordinary Shares, where required, the relevant DWT Forms prior to the payment of the distribution. In practice, in order to ensure sufficient time to process the receipt of relevant DWT Forms, the holders of Class A Ordinary Shares, where required, should furnish the relevant DWT Form to:

- its broker (and the relevant information is further transmitted to any qualifying intermediary appointed by Parent) before the record date for the distribution (or such later date before the distribution payment date as may be notified to the holders of Class A Ordinary Shares by the broker) if its Class A Ordinary Shares are held through DTC; or
- Parent's transfer agent before the record date for the distribution if its Class A Ordinary Shares are held outside of DTC.

Links to the various DWT Forms are available at: *http://www.revenue.ie/en/tax/dwt/forms/index.html*. The information on such website does not constitute a part of, and is not incorporated by reference into, this Annual Report.

For non-Irish resident holders of Class A Ordinary Shares that cannot avail themselves of one of Ireland's domestic law exemptions from DWT, it may be possible for such holder of Class A Ordinary Shares to rely on the provisions of a double tax treaty to which Ireland is party to reduce the rate of DWT.

Class A Ordinary Shares Held by U.S. Resident Shareholders

Distributions paid in respect of Class A Ordinary Shares that are owned by a U.S. resident and held through DTC will not be subject to DWT provided the address of the beneficial owner of such Class A Ordinary Shares in the records of the broker holding such Class A Ordinary Shares is in the United States (and such broker has further transmitted the relevant information to a qualifying intermediary appointed by Parent). It is strongly recommended that such holders of Class A Ordinary Shares ensure that their information is properly recorded by their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by Parent).

If any holder of Class A Ordinary Shares that is resident in the United States receives a distribution from which DWT has been withheld, the holder of Class A Ordinary Shares should generally be entitled to apply for a refund of such DWT from the Irish Revenue Commissioners, provided the holder of Class A Ordinary Shares is beneficially entitled to the distribution.

Class A Ordinary Shares Held by Residents of Relevant Territories Other Than the United States

Holders of Class A Ordinary Shares who are residents of Relevant Territories, other than the United States, must satisfy the conditions of one of the exemptions referred to above under the heading "—*General Exemptions*", including the requirement to furnish valid DWT Forms, in order to receive distributions without suffering DWT. If such holders of Class A Ordinary Shares hold their Class A Ordinary Shares through DTC, they must provide the appropriate DWT Forms to their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by Parent) before the record date for the distribution (or such later date before the distribution payment date as may be notified to holders of Class A Ordinary Shares by the broker). If such holders of Class A Ordinary Shares hold their Class A Ordinary Shares outside of DTC, they must provide the appropriate DWT Forms to Parent's transfer agent before the record date for the distribution. It is strongly recommended that such holders of Class A Ordinary Shares complete the appropriate DWT Forms and provide them to their brokers or Parent's transfer agent, as the case may be, as soon as possible after receiving their Class A Ordinary Shares.

If any holder of Class A Ordinary Shares who is resident in a Relevant Territory receives a distribution from which DWT has been withheld, the holder of Class A Ordinary Shares may be entitled to a refund of DWT from the Irish Revenue Commissioners provided the holder of Class A Ordinary Shares is beneficially entitled to the distribution.

Shares Held by Other Persons

Holders of Class A Ordinary Shares that do not fall within any of the categories specifically referred to above may nonetheless fall within other exemptions from DWT. If any holders of Class A Ordinary Shares are exempt from DWT, but receive distributions subject to DWT, such holders of Class A Ordinary Shares may apply for refunds of such DWT from the Irish Revenue Commissioners.

Distributions paid in respect of Class A Ordinary Shares held through DTC that are owned by a partnership formed under the laws of a Relevant Territory and where all the underlying partners are resident in a Relevant Territory will be entitled to exemption from DWT if all of the partners complete the appropriate DWT Forms and provide them to their brokers (so that such brokers can further transmit the relevant information to a qualifying intermediary appointed by Parent) before the record date for the distribution (or such later date before the distribution payment date as may be notified to the holders of Class A Ordinary Shares by the broker). If any partner is not a resident of a Relevant Territory, no part of the partnership's position is entitled to exemption from DWT.

Qualifying Intermediary

Prior to paying any distribution, Parent will put in place an agreement with an entity that is recognized by the Irish Revenue Commissioners as a "qualifying intermediary," which will provide for certain arrangements relating to distributions in respect of Class A Ordinary Shares that are held through DTC, which are referred to as the "Deposited Securities." The agreement will provide that the qualifying intermediary shall distribute or otherwise make available to Cede & Co., as nominee for DTC, any cash dividend or other cash distribution with respect to the Deposited Securities after Parent delivers or causes to be delivered to the qualifying intermediary the cash to be distributed.

Parent will rely on information received directly or indirectly from its qualifying intermediary, brokers and its transfer agent in determining where holders of Class A Ordinary Shares reside, whether they have provided the required U.S. tax information and whether they have provided the required DWT Forms. Holders of Class A Ordinary Shares that are required to file DWT Forms in order to receive distributions free of DWT should note that such forms are generally valid, subject to a change in circumstances, until December 31 of the fifth year after the year in which such forms were completed.

Income Tax on Dividends Paid on Class A Ordinary Shares

Irish income tax may arise for certain persons in respect of distributions received from Irish resident companies.

A Non-Irish Holder that is entitled to an exemption from DWT will generally have no Irish income tax or universal social charge liability on a distribution from Parent. A Non-Irish Holder that is not entitled to an exemption from DWT, and therefore is subject to DWT, generally will have no additional Irish income tax liability or liability to universal social charge. The DWT deducted by Parent discharges the Irish income tax liability and liability to universal social charge.

Capital Acquisitions Tax (CAT)

CAT comprises principally gift tax and inheritance tax on property situated in Ireland for CAT purposes or otherwise within the territorial scope of CAT. CAT could apply to a gift or inheritance of Class A Ordinary Shares and Warrants because Class A Ordinary Shares and Warrants are regarded as property situated in Ireland for CAT purposes. The person who receives the gift or inheritance has primary liability for CAT.

CAT is currently levied at a rate of 33% on the value of any taxable gift or inheritance above certain tax-free thresholds. The appropriate tax-free threshold depends upon (1) the relationship between the donor and the donee and (2) the aggregation of the values of previous taxable gifts and inheritances received by the donee from persons within the same group threshold. Gifts and inheritances passing between spouses are exempt from CAT, as are gifts to certain charities. Children have a lifetime tax-free threshold of €335,000 in respect of taxable gifts or inheritances received from their parents. There is also a "small gift exemption" from CAT whereby the first €3,000 of the taxable value of all taxable gifts taken by a donee from any one donor, in each calendar year, is exempt from CAT and is also excluded from any future aggregation. This exemption does not apply to an inheritance.

THE IRISH TAX CONSIDERATIONS SUMMARIZED ABOVE ARE FOR GENERAL INFORMATION ONLY AND ARE NOT INTENDED TO PROVIDE ANY DEFINITIVE TAX REPRESENTATIONS TO HOLDERS. EACH PARENT SECURITYHOLDER SHOULD CONSULT HIS OR HER TAX ADVISOR AS TO THE PARTICULAR CONSEQUENCES THAT MAY APPLY TO SUCH SECURITYHOLDER.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We file annual reports on Form 20-F and furnish certain reports and other information with the SEC as required by the Exchange Act in accordance with our status as a foreign private issuer. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing the furnishing and content of proxy statements to shareholders and short-swing profit reporting for our officers and directors and for holders of more than 10% of our Class A Ordinary Shares. Such materials can be obtained on the SEC's site on the internet at http://www.sec.gov.

Our website address is www.fusion-fuel.eu. Through our website, we make available, free of charge, the following documents as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC, including our Annual Reports on Form 20-F; our proxy statements for our annual and special shareholder meetings; our Current Reports on Form 6-K; and Schedules 13D and 13G with respect to our securities filed on behalf of our directors and our executive officers; and amendments to those documents. We have not incorporated by reference into this Annual Report the information on our website, and you should not consider it to be a part of this Annual Report.

I. Subsidiary Information

Not applicable.

J. Options to Purchase Securities from Registrant

During the third quarter of 2021, Parent announced the adoption of the Fusion Fuel Green plc 2021 Equity Incentive Plan (the "Plan"). The purpose of the Plan is to provide Parent with the flexibility to issue share-based awards as part of an overall compensation package to attract and retain qualified personnel. Parent recorded share-based payment expenses of €3.51 million in 2022 related to the issuance of Restricted Share-Units (RSUs) and options to its directors, employees and consultants. The RSUs and options are estimated and measured at grant-date fair value and expensed through the income statement over their vesting period.

Parent believes its executive compensation program is designed to align compensation with Parent's business objectives and the creation of shareholder value, while enabling Parent to attract, motivate and retain individuals who contribute to the long-term success of its business.

Under the Plan, two Executive Committee members were granted an aggregate of 50,000 Restricted Share Units (RSUs) during 2022, which vest over a three-year period.

On January 3, 2022, the Company announced that under the Plan, its Board of Directors approved an award of options for five of its senior managers. With regard to each senior manager, the award comprises three elements:

- A grant of an option to purchase 200,000 Class A Ordinary Shares to vest over a three-year period having an exercise price of $10.50 per share.
- A grant of an option to purchase an additional 200,000 Class A Ordinary Shares to vest upon Fusion Fuel's share price closing at or above $18.00 during twenty trading days out of any thirty consecutive trading day period having an exercise price of $10.50 per share.
- Eligibility to receive an option to purchase up to an additional 50,000 Class A Ordinary Shares for each of calendar years 2022, 2023, and 2024, each to be granted based on individual performance at the discretion of the Compensation Committee of the Board having an exercise price equal to the average last sales price of the Class A Ordinary Shares over the five (5) consecutive trading day period ending on the date of grant, but in no event to be lower than $10.50 per share.

All options granted will expire on December 31, 2028.

The senior managers, all members of the Executive Committee, included in the option grant were Frederico Figueira de Chaves, Co-Head and Chief Financial Officer; Jaime Silva, Chief Technology Officer; Joao Teixeira Wahnon, Chief of Business Development; Zach Steele, Co-Head and Co-President (Americas) and Jason Baran, Chief Commercial Officer and Co-President (Americas).

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is a broad term for the risk of economic loss due to adverse market changes affecting financial instruments. These changes may be the result of various factors, including interest rates, foreign exchange rates, commodity prices and/or equity prices. Our business is exposed to a variety of market risks, including credit risk, currency risk, interest rate risk and price risk. These risks arise in part through use of the following financial instruments: trade receivables, cash bank accounts, bank overdrafts, trade and other payables, floating rate bank loans, forward currency contracts.

Parent's results of operation and financial condition are exposed to foreign exchange risk in U.S. dollars as a result of the consummation of the Transactions, including receipt of a majority of its liquid assets in U.S. dollars from the funds in HL's trust account and from sales of its Class A Ordinary Shares to the PIPE Investors. Parent may be exposed to additional foreign exchange risks that arise from its global presence if it sells products and services in transactions not denominated in Euros. Over time, Parent expects to diversify its foreign exchange exposure by ensuring a more balanced foreign exchange mix in its treasury positions to match the required U.S. dollar and Euro requirements for purchases and investments.

Parent does not believe that it is exposed to significant interest rate risk or credit and liquidity risk. Parent does not enter into or trade financial instruments, including derivative financial instruments, for any purpose.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

Not applicable.

PART II

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

A-D. Material Modifications to the Rights of Security Holders

None.

E. Use of Proceeds

Not applicable.

ITEM 15. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management are responsible for establishing and maintaining our disclosure controls and procedures. These controls and procedures were designed to ensure that information that we are required to disclose in the reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms of the Securities and Exchange Commission, and that it is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure.

As required by Rule 13a-15 under the Exchange Act, management has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Disclosure controls and procedures refer to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitations, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding our required disclosures.

Based on the foregoing, our principal executive officer and principal financial officer have concluded that as of December 31, 2022, our disclosure controls and procedures were not effective as a result of the material weaknesses in our internal control over financial reporting described below .

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Under the supervision and with the participation of management, including our principal executive and principal financial officers, we evaluated the effectiveness of the Company's internal control over financial reporting as of December 31, 2022, based on criteria for effective internal control over financial reporting established in the *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management concluded that our internal control over financial reporting was not effective as of December 31, 2022, due to the material weaknesses described below.

A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual financial statements will not be prevented or detected on a timely basis.

Our management identified material weaknesses in our internal control over financial reporting primarily related to (i) clearly defined control processes, roles and segregation of duties and sufficient financial reporting and accounting personnel within our business processes to ensure appropriate financial reporting, and (ii) the design and operating effectiveness of IT general controls for information systems that are significant to the preparation of our consolidated financial statements. The material weaknesses did not result in any identified misstatements to the financial statements.

This Annual Report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting as such report is not required for emerging growth companies.

Changes in Internal Control over Financial Reporting

We have worked to remediate the material weaknesses and other deficiencies referenced above. We re-designed key processes and included significant measures to develop an effective internal control over financial reporting. In implementing these processes, we have engaged the assistance of external advisors with expertise in these matters. Additionally, we have and continue to train our accounting and finance staff and hired financial reporting personnel to develop and implement appropriate internal controls and reporting procedures. These remediation measures, which continue as of December 31, 2022 have been time consuming and costly and there is no assurance that these initiatives will remediate all issues.

Except for as noted above, there were no changes in our internal control over financial reporting during the year ended December 31, 2022 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The board of directors has determined that Mr. Lundetrae, who is an independent director, qualifies as an "audit committee financial expert," as defined under rules and regulations of the SEC.

ITEM 16B. CODE OF ETHICS

On December 4, 2020, Parent adopted a Code of Ethics that applies to all of its employees, officers, and directors. This includes Parent's principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. The full text of Parent's Code of Ethics has been posted on Parent's website at *ir.fusion-fuel.eu/corporate-governance/governance-documents*. Parent intends to disclose on its website any future amendments of the Code of Ethics or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions, or Parent's directors from provisions in the Code of Ethics. Information disclosed on Parent's website is not a part of this Annual Report.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Our independent registered public accounting firm for the years ended December 31, 2022 and December 31, 2021 was KPMG, Dublin, Ireland (Audit firm ID: 1116). Our audit committee of the board of directors pre-approves all audit, audit-related and non-audit services not prohibited by law to be performed by our independent registered public accounting firm and associated fees prior to the engagement with respect to such services.

	12 Months ended December 31, 2022	12 Months ended December 31, 2021
KPMG		
Audit Fees (1)	€ 357,250	€ 245,000
Taxation Fees	€ -	€ -
Other	€ 25,000	€ -
Total	€ 382,250	€ 245,000

(1) Audit Fees" consist of fees billed for professional services performed by KPMG for the audit of our annual financial statements, the review of interim financial information, and related services that are normally provided in connection with our public offerings and registration statements on Form F-3.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

ITEM 16F. CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

The Nasdaq Listing Rules allow foreign private issuers, such as Parent, to follow home country corporate governance practices (in our case Irish) in lieu of the otherwise applicable Nasdaq corporate governance requirements. In order to rely on this exception, we are required to disclose each Nasdaq Listing Rule that we do not follow and describe the home country practice we do follow in lieu thereof. Parent does not currently follow any Irish corporate governance practices in lieu of Nasdaq corporate governance rules.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

PART III

ITEM 17. FINANCIAL STATEMENTS

See Item 18 of this Annual Report, "*Financial Statements*."

ITEM 18. FINANCIAL STATEMENTS

Our Audited Annual Consolidated Financial Statements are included at the end of this Annual Report.

ITEM 19. EXHIBITS

Exhibit No.	Description	Included	Form	Filing Date
2.1	Amended and Restated Business Combination Agreement.	By Reference	F-4/A	November 5, 2020
3.1	Memorandum and Articles of Association of Fusion Fuel Green plc.	By Reference	20FR12B	December 17, 2020
4.1	Specimen Class A Ordinary Share Certificate of Fusion Fuel Green plc.	By Reference	F-4/A	October 9, 2020
4.2	Specimen Warrant Certificate of Fusion Fuel Green plc.	By Reference	F-4/A	October 9, 2020
4.3.1	Novation Agreement between HL Acquisitions Corp., Fusion Fuel Green plc, and Continental Stock Transfer & Trust Company.	By Reference	20FR12B	December 17, 2020
4.3.2	Amended and Restated Warrant Agreement between Fusion Fuel Green plc and Continental Stock Transfer & Trust Company.	By Reference	20FR12B	December 17, 2020
4.4	Description of Securities	Herewith	--	--
10.1	Form of Indemnification Agreement with Fusion Fuel Green plc's directors and executive officers.	By Reference	F-4/A	November 5, 2020
10.2	Form of Managing Agreement between Fusion Welcome – Fuel, S.A. and its executive officers.	By Reference	F-4	August 12, 2020
10.3	Amended and Restated Stock Escrow Agreement between HL Acquisitions Corp., Fusion Fuel Green plc, certain former shareholders of HL Acquisitions Corp., and Continental Stock Transfer & Trust Company, dated December 10, 2020.	By Reference	20FR12B	December 17, 2020
10.4	Amended and Restated Registration Rights Agreement between HL Acquisitions Corp., Fusion Fuel Green plc, certain former shareholders of HL Acquisitions Corp., EarlyBirdCapital, Inc., and certain former shareholders of Fusion Welcome – Fuel, S.A., dated December 10, 2020.	By Reference	20FR12B	December 17, 2020

10.5	Indemnification Escrow Agreement between Fusion Fuel Green plc, Fusion Welcome – Fuel, S.A., Fusion Welcome, S.A., HL Acquisitions Corp., Jeffrey Schwarz, and Continental Stock Transfer & Trust Company, dated December 10, 2020.	By Reference	20FR12B	December 17, 2020
10.6	At Market Issuance Sales Agreement between Fusion Fuel Green plc, B. Riley Securities, Inc., Fearnley Securities Inc. and H.C. Wainwright & Co., LLC, dated June 6, 2022	By Reference	6-K	June 6, 2022
10.7	English Translation of Contract of Disposal of Intellectual Property between Fusion Welcome – Fuel, S.A. and MagP Invocao, S.A., dated September 13, 2018.	By Reference	F-4/A	September 21, 2020
10.8	English Translation of Amendment to Contract of Disposal of Intellectual Property, between Fusion Welcome – Fuel, S.A. and MagP Invocao, S.A., dated May 22, 2020.	By Reference	F-4/A	October 9, 2020
10.9	English Translation of Production Capacity Reservation, between Fusion Welcome – Fuel, S.A. and MagP Invocao, S.A., dated June 1, 2020.	By Reference	F-4/A	September 21, 2020
10.10	Sub-Lease Agreement, between Fusion Welcome – Fuel, S.A. and MagP Invocao, S.A., dated September 25, 2020.	By Reference	F-4/A	October 9, 2020
10.11	Special Eligibility Agreement for Securities, dated as of December 10, 2020, among the Depository Trust Company, Cede & Co., National Securities Clearing Corporation, Fusion Fuel Green plc, and Continental Stock Transfer & Trust Company.	By Reference	F-4/A	November 5, 2020
10.12	Form of Subscription Agreement of Fusion Fuel Green plc.	By Reference	F-4/A	October 9, 2020
10.13	Form of Non-Executive Director Appointment Letter.	By Reference	F-4/A	October 29, 2020
10.14	Employment Agreement between Fusion Fuel Green plc, Fusion Fuel USA, Inc., and Zachary Steele	By Reference	6-K	January 3, 2021
10.15	Employment Agreement between Fusion Fuel Green plc, Fusion Fuel USA, Inc., and Jason Baran	By Reference	6-K	January 3, 2021
10.16	Contingent Consideration Termination Agreement between Fusion Fuel Green plc, Fusion Welcome – Fuel, S.A., and certain shareholders of Fusion Welcome – Fuel, S.A.	By Reference	6-K	January 3, 2021
10.17* **	Fusion Fuel Spain Shareholders Agreement	Herewith	--	--
10.18	Sale Agreement	Herewith	--	--
10.19	Lease Agreement	Herewith	--	--
21.1	List of Subsidiaries.	Herewith	--	--
23.1	Consent of KPMG LLP	Herewith	--	--
31.1	Certification of Principal Executive, Financial, and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Herewith	--	--
32.1	Certification of Principal Executive, Financial, and Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Herewith	--	--
99.1	List of Relevant Territories for the Purposes of Irish Dividend Withholding Tax	Herewith	--	--
101.INS	Inline XBRL Instance Document.			
101.SCH	Inline XBRL Taxonomy Extension Schema Document.			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.			
104	Cover Page Interactive Data File - (formatted as Inline XBRL and contained in Exhibit 101).			

* Management compensation contract, plan or arrangement.

** Certain provisions of this exhibit have been omitted, as such provisions (i) are not material and (ii) would likely cause competitive harm to the registrant if publicly disclosed.

*** Schedules and similar attachments to this exhibit are omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company agrees to provide a copy of any omitted schedule or attachment to the SEC upon request.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, in Estoril, Portugal on the 16th day of May, 2023.

FUSION FUEL GREEN PLC

By: /s/ Frederico Figueira de Chaves
Name: Frederico Figueira de Chaves
Title: Chief Financial Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors
Fusion Fuel Green plc:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Fusion Fuel Green plc and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2022 and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring losses and negative cash flows from operations as of December 31, 2022, that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ KPMG

We have served as the Company's auditor since 2021.

Dublin, Ireland

May 15, 2023

FUSION FUEL GREEN PLC

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

ITEM 18. FINANCIAL STATEMENTS

Consolidated statement of financial position

	Note	As at December 31, 2022 €'000	2021 €'000
Non-current assets			
Property, plant and equipment	*13*	**21,273**	18,111
Intangible assets	*12*	**5,350**	3,847
Total non-current assets		**26,623**	21,958
Current assets			
Inventory	*9*	**22,336**	3,685
Prepayments and other receivables	*16*	**8,242**	8,472
Financial asset investments at fair value through profit or loss	*14*	**-**	27,453
Cash and cash equivalents	*15*	**8,164**	7,681
Total current assets		**38,742**	47,291
Total assets		**65,365**	69,249
Non-current liabilities			
Lease liability	*8*	**7,651**	411
Deferred income	*18*	**2,925**	-
Total non-current liabilities		**10,576**	411
Current liabilities			
Trade and other payables	*17*	**7,262**	2,877
Provisions	*19*	**8,403**	-
Deferred income	*18*	**186**	-
Cost accruals		**1,934**	1,178
Derivative financial instruments – warrants	*20*	**7,651**	15,271
Total current liabilities		**25,436**	19,326
Total liabilities		**36,012**	19,737
Net assets		**29,353**	49,512
Equity			
Share capital	*20*	**2**	2
Share premium		**217,156**	213,477
Share-based payments reserve		**3,972**	463
Retained earnings		**(191,777)**	(164,430)
Total equity		**29,353**	49,512

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of profit or loss and other comprehensive income

	Note	*For the years ended December 31,*		
		2022	**2021**	**2020**
		€'000	**€'000**	**€'000**
Revenue		-	-	-
Cost of sales – onerous contract provision	*19*	**(8,403)**	-	**-**
Cost of sales – write-off of inventory	*9*	**(362)**		
Gross loss		**(8,765)**	-	**-**
Operating expenses				
Other income		**172**	-	**-**
Administration expenses	*5*	**(18,416)**	(7,510)	(3,350)
Research and development expense		**(908)**	(182)	-
Share-based payment (expense)/ credit	*7*	**(3,509)**	841	(1,438)
Impairment of property, plant and equipment	*13*	**(3,321)**	-	-
Operating loss		**(34,747)**	(6,851)	(4,788)
Net finance income				
Finance income	*6*	**1,379**	2,713	2
Interest receivable and similar income		**25**	-	-
Finance costs	*6*	**(962)**	(23)	(677)
Listing expenses		**-**	-	(177,146)
Derivative financial instruments at FVTPL	*21*	**7,620**	28,354	(521)
Net finance income/ (costs)		**8,062**	31,044	(178,342)
Share of losses of equity-accounted investees	*11*	**(628)**	(629)	-
(Loss) / profit before tax		**(27,313)**	23,564	(183,130)
Income tax expense	*10*	**(34)**	-	-
Total comprehensive (loss) / income for the year		**(27,347)**	23,564	(183,130)
Basic (loss)/ earnings per share	*23*	**(2.05)**	1.80	(68.53)
Diluted (loss)/ earnings per share	*23*	**(2.05)**	1.79	(68.53)

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

For the year ended December 31, 2022

	Number of shares outstanding	Share capital	Share premium	Share-based payment reserve	Retained earnings	Total
		€'000	€'000	€'000	€'000	€'000
Balance at January 1, 2020	2,125,000	-	3	-	(2)	1
Loss during the year	-	-			(183,130)	(183,130)
Issue of share capital:						
HL Acquisition Transaction	7,033,356	1	139,027	-	(3,566)	135,462
PIPE Financing	2,450,000	-	48,429	-	(1,430)	46,999
Exercise of warrants	445,861	-	4,178	-	-	4,178
Derecognition of warrant liability on exercise	-	-	2,416	-	-	2,416
Share based payments:						
Equity-settled share-based compensation	-	-	-	1,438	-	1,438
Balance at December 31, 2020	**12,054,217**	**1**	**194,053**	**1,438**	**(188,128)**	**7,364**
Balance at January 1, 2021	12,054,217	1	194,053	1,438	(188,128)	7,364
Profit during the year	-	-	-	-	23,564	23,564
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**23,564**	**23,564**
Issue of share capital:						
Vesting of shares	10,000	-	-	(134)	134	-
Exercise of warrants	1,059,506	1	10,050	-	-	10,051
Derecognition of warrant liability on exercise	-	-	9,374	-	-	9,374
Share based payments:						
Equity-settled share-based compensation	-	-	-	(841)	-	(841)
Balance at December 31, 2021	**13,123,723**	**2**	**213,477**	**463**	**(164,430)**	**49,512**
Balance at January 1, 2022	13,123,723	2	213,477	463	(164,430)	49,512
Loss during the year	-	-	-	-	(27,347)	(27,347)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	(27,347)	(27,347)
Issue of share capital:						
ATM – share sales	681,926	-	3,679	-	-	3,679
Share based payments:						
Equity-settled share-based compensation	-	-	-	3,509	-	3,509
Balance at December 31, 2022	**13,805,649**	**2**	**217,156**	**3,972**	**(191,777)**	**29,353**

The accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

	For the years ended December 31		
	2022	**2021**	**2020**
	€'000	**€'000**	**€'000**
Cash flows from operating activities			
Net (loss)/ profit for the year	**(27,347)**	23,564	(183,130)
Adjusted for:			
Share listing expenses	**-**	-	177,146
Equity settled share-based payment transactions	**3,509**	(841)	1,438
Fair value movement in warrants	**(7,620)**	(28,354)	521
Depreciation and amortization	**1,002**	351	-
Net finance income	**(442)**	(2,690)	675
Share of losses of equity-accounted investee	**628**	629	-
Impairment of property, plant and equipment	**3,321**	-	-
Onerous contract provision	**8,403**	-	-
Gain on sale of property, plant and equipment	**(172)**	-	-
Total Adjusted	**(18,718)**	(7,341)	(3,350)
Changes in working capital:			
(Increase)/decrease in receivables	**2,277**	(5,218)	(2,204)
(Increase)/decrease in inventories	**(18,651)**	(3,685)	-
(Decrease)/increase in payables and accruals	**5,303**	1,588	1,374
Interest and similar expenses - paid	**(62)**	-	(8)
Net cash used by operating activities	**(29,851)**	(14,656)	(4,188)
Cash flows from investing activities			
Payment for intellectual property from 2020 business combination	**(250)**	(500)	(1,150)
Purchase of property, plant and equipment	**(8,588)**	(16,615)	-
Proceeds from sale of property, plant and equipment	**8,399**	-	-
Development expenditure	**(1,771)**	(1,630)	(294)
Purchase of intangible assets – other	**(80)**	(19)	-
Purchase of financial assets	**-**	(44,328)	-
Proceeds from realisation of financial assets	**27,892**	18,224	-
Investment in equity-accounted investees	**(640)**	(629)	-
Net cash provided by investing activities	**24,962**	(45,497)	(1,444)
Cash flows from financing activities			
Proceeds from issuance of shares	**3,679**	-	65,138
Transaction costs deducted from equity	**-**	-	(4,996)
Proceeds from warrants exercised	**-**	10,051	4,178
Payment of lease liabilities	**(1,314)**	(470)	-
Shareholder loan (repayment) / proceeds	**-**	-	(14)
Net cash provided by financing activities	**2,365**	9,581	64,306
Net (decrease)/increase in cash and cash equivalents	**(2,524)**	(50,572)	58,674
Cash and cash equivalents at beginning of year	**7,681**	58,007	-
Effects of movements in exchange rates on cash held	**82**	245	(667)
Cash and cash equivalents at end of year	**5,239**	7,681	58,007
Add restricted cash	**2,925**	-	-
Cash and cash equivalents at end of year including restricted cash	**8,164**	7,681	58,007

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements.

1. Business activity

Fusion Fuel Green Public Limited Company (the "Parent" or the "Company") was incorporated in Ireland on April 3, 2020. The Company and its subsidiaries are collectively referred to as the "Group". The registered office of the Company is The Victorians, 15 - 18 Earlsfort Terrace, Saint Kevin's, Dublin 2, D02 YX28, Ireland. The Company is domiciled in Ireland.

The Group's mission is to produce hydrogen with zero carbon emissions, thereby contributing to a future of sustainable and affordable clean energy and the reversal of climate change. The hydrogen will be produced using renewable energy resulting in zero carbon emissions ("Green Hydrogen") with components built in-house and using the know-how and accumulated experience of its team's strategic and continuous investment in research and development ("R&D") around solar technologies.

The Company has a well-established risk management process which is managed through its management team, finance committee and board of directors. The key risks are evaluated throughout the period with key business leaders tasked to manage each risk as required. These risks are assessed through a risk matrix which evaluates each risk's impact and likelihood.

Company history

The Merger

On June 6, 2020, the Company entered into an initial business combination agreement ("the Transaction") with the shareholders of HL Acquisitions Corp., a British Virgin Islands business company ("HL"), a publicly-held special purpose acquisition company, and Fusion Welcome – Fuel S.A ("Fusion Fuel"), a private limited company domiciled in Portugal. On August 19, 2020, the terms of the initial Transaction were amended and finalised. The shareholders of both HL and Fusion Fuel agreed to exchange their interests for new ordinary shares in the share capital of the Company, with Fusion Fuel considered the accounting acquirer and predecessor entity.

Prior to the merger discussed below, the Company was a newly formed shell with no active trade or business, and all relevant assets, liabilities, income and expenses were borne by Fusion Fuel, the continuing entity in the merger. Therefore, the comparable consolidated financial statements as of December 31, 2019 and the year then ended were those of Fusion Fuel.

As part of the transaction, the former shareholders of HL received 7,033,356 Class A ordinary shares and 8,250,000 warrants to purchase Class A ordinary shares at an exercise price of $11.50 (the "HL warrants") of the Company. The shareholders of Fusion Fuel received 2,125,000 Class B ordinary shares and warrants to purchase 2,125,000 Class A ordinary shares at an exercise price of $11.50 per share (the "FF warrants"). Unexercised warrants expire five years from the date of the transaction's close.

Because HL was not considered a business, the Transaction was not considered a business combination, and instead was accounted for as a reverse recapitalisation, whereby Fusion Fuel issued shares in exchange for the net assets of HL represented by cash, which had a value of approximately $54 million (approximately €44.4 million) upon closing of the Transaction, and its listed status. The excess of the fair value of the equity instruments issued by the Company over the identifiable net assets of HL represents payment for the listing status and was recorded as a listing expense in the income statement under IFRS 2 *Share-based Payment*. The Transaction completed on December 4, 2020 (the "acquisition date").

Immediately following the acquisition date, the Company completed a private equity placement with accredited investors (the "PIPE Investors") for the sale of 2,450,000 Class A ordinary shares at a price of $10.25 per share, with gross proceeds of approximately $25.1 million (approximately €20.7 million).

At the acquisition date, the Company became the ultimate legal parent of Fusion Fuel and HL Acquisitions. The Company's Class A ordinary shares are traded on the NASDAQ Global Market under the ticker symbol HTOO and its warrants are traded under HTOOW. The Company's Class B shares are not publicly traded.

The consolidated financial statements are prepared as a continuation of the financial statements of Fusion Fuel, the accounting acquirer, adjusted to reflect the legal capital structure of the legal parent/accounting acquiree (Fusion Fuel Green Public Limited Company).

The Earn-Out

The parties also agreed to a potential additional equity payment to certain former shareholders of Fusion Fuel who became service providers to the Company. Under this arrangement, these persons are eligible to earn additional share-based payment awards of up to 1,137,000 Class A ordinary shares and 1,137,000 warrants to purchase Class A ordinary shares at an exercise price of $11.50 based upon the execution of contracts for certain value-accretive hydrogen purchase agreements on or before June 30, 2022, depending on the value of those contracts.

The additional consideration could have been earned as follows:

- 40% upon signing of power purchase agreements (Hydrogen purchase agreements) with certain identified counterparties having an expected net present value of at least $61 million.

- 20% upon commencement of operations under one of these hydrogen purchase agreements.

- 40% upon successfully completing 90 days of operations at 95% of planned capacity under one of these hydrogen agreements.

As these awards were dependent on future service to be provided to the Company, the Company considered them to be service awards under IFRS 2 and classified them as equity-settled share-based payments. The number of shares and warrants likely to be awarded were estimated at the reporting date, measured at grant-date fair value, and recorded as a cost to the income statement on a straight-line basis over the period from grant to expected delivery of contracts, initially estimated to be June 30, 2022. The potential outstanding equity awards under the 2020 Earn-Out arrangement expired June 30, 2022 and none of the required conditions were met.

During 2021, the Group increased its global footprint by entering into a joint venture agreement in Spain and incorporating entities in Australia and the United States. In July 2021, the Company entered into a new 50/50 joint venture through Fusion Fuel Spain S.L. (“FFS” or the “JV”) with two unrelated parties to source, promote and develop projects in the green hydrogen sector using the Company’s solar green hydrogen technology. Under the terms of the JV, the three parties contributed combined equity of €3,000. In addition, the Company agreed to fund a non-recourse five-year participating loan to the JV to finance its growth and working capital. Repayment of the loan will come solely from successful operating cash flows of FFS.

Developments during 2022

Benavente

As previously reported, the Company acquired a facility in 2021 to transform into a state-of-the-art production facility so that the Company could produce internally to meet demand. This facility is located at Benavente, Portugal. In June 2022, the Company completed installation of the first HEVO production line at the Benavente facility.

In December 2022, the Group completed a sale and leaseback transaction for the facility at Benavente. This transaction excluded the HEVO production line as well as other equipment. The selling price closed at €9.3 million with net proceeds of €7.5 million after deducting security deposit, one month’s rent and certain deferred proceeds. Please refer to notes 8 and 13 for further information on this transaction.

Exolum

During the third quarter of 2022, the Group commenced construction work on its first third-party technology sale. Fusion Fuel Portugal, S.A. (“Fusion Fuel Portugal”), a wholly owned subsidiary of the Parent and Exolum Corporation, S.A. (“Exolum”) will develop a turnkey solar-to-hydrogen plant to supply green hydrogen to Madrid, Spain. Exolum is a leading supplier of specialist storage, handling and transport for bulk liquids and gases, with one of the most comprehensive ranges of tankage in Europe. The project will have 21 HEVO-Solar units along with a co-located refueling station, which will serve as proof of concept of hydrogen for mobility applications. This facility will also feature the latest generation HEVO micro-electrolyzer capable of leveraging other sources of renewable energy to produce green hydrogen overnight and during periods of low solar radiation, which are expected to double the productive output of the facility. The construction of this solar-to-hydrogen plant is expected to be completed during the first half of 2023 with commissioning expected to take place during the same period. Please refer to note 9 for further information about the financial reporting implications of this project.

2. Basis of preparation and significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards ("IFRS") as adopted by the EU ("IFRS as adopted by the EU"), which are effective for the year ended and as at December 31, 2022. In addition to complying with its legal obligation to comply with IFRS as adopted by the EU, the consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") ("IFRS as issued by the IASB").

These consolidated financial statements are presented in Euro, the functional and presentation currency of the Company. All financial information presented has been rounded to the nearest thousand, unless otherwise stated.

The consolidated financial statements have been prepared on the historical cost basis except for derivatives which have been measured at fair value and share based payments which have been measured at grant date fair value.

Reclassifications have been made, whenever necessary, to prior period financial statements to conform to the current period presentation for the year ended December 31, 2021.

Basis of consolidation

Subsidiaries

The Group financial statements consolidate the financial statements of the Company and its subsidiaries up to December 31, 2022. A parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Loss of control
When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest ("NCI") and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees
The Group's interests in equity-accounted investees comprise interests in a joint venture.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its joint venture is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the statement of profit or loss.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Functional currency

Foreign currency transactions
Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

Foreign operations
The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

At the Market Issuance Sales Agreement ("ATM")

On June 6, 2022, the Parent entered into an At the Market Issuance Sales Agreement ("the ATM") with B. Riley Securities, Inc., Fearnley Securities Inc., and H.C. Wainwright & Co., LLC, pursuant to which the Company may offer and sell, from time to time, through or to the agents, acting as agent or principal, Class A ordinary shares of the Company having an aggregate offering price of up to $30 million under the Company's Form F-3 registration statement. During 2022, the Parent sold 681,926 class A ordinary shares for net proceeds of $3.7 million (€3.7 million) and paid $0.1 million (€0.1 million) in commissions to agents as part of these trades.

Going concern

As of December 31, 2022, the Group had €8.2 million of cash and cash equivalents, which included €2.9 million of restricted cash. This €2.9 million is deemed restricted as it can only be used on specific projects so is not readily available to be spent on selling, general and administrative expenses. The Group is an early stage and emerging growth company and is subject-to the corresponding risk of such companies. Since inception, the Group has incurred operating losses and had an accumulated deficit of €191.8 million at December 31, 2022. Included in the accumulated deficit are non-cash items of €157.1 million which related to fair value adjustments on our warrants, share based compensation expenses, foreign currency adjustments on our financial assets and expenses from the 2020 merger transaction described previously.

The Group expects to continue to incur net losses for the foreseeable future and is highly dependent on its ability to find additional sources of funding in the form of debt or equity financing to fund its planned operations. The Group's success depends on the profitable commercialization of its proprietary HEVO technology. There is no assurance that the Group will be successful in the profitable commercialization of its technology. These conditions raise significant doubt about the Group's ability to continue as a going concern and therefore, to continue realizing their assets and discharging their liabilities in the normal course of business.

Based upon its current operating and financial plans, management believes it will have sufficient access to financial resources to fund operations for at least one year after the date the financial statements are issued. In making this assessment, management has considered the Group's available cash resources, expected inflows from both technology sales and grant award agreements, future financing options available to the Group (debt and/or equity), the planned operations of the Group and the ability to adjust its plans if required.

Inflows

Subsequent to December 31, 2022, the Group recorded the following inflows:

- €2.2 million of the VAT receivable balance discussed in note 16 with a further €1.3 million of this balance approved for payment before the end of May 2023.
- €3.1 million of grant funding relating to the Group's C-5 grant agreement, of which €2.8 million is restricted as it can only be spent on project related expenditures.
- €2.4 million of proceeds raised through the ATM facility.

The Group is in advanced discussions with a Portuguese based financial institution regarding an additional working capital credit facility related to future grant inflows, which, if entered into, would provide additional liquidity of approximately €3.5 million. There is no assurance that such facility will be entered into.

To date, the Group has been awarded €64.1 million in grant funding of which €6.0 million has been received to date. The Group has a further amount of €5.4 million that has been submitted for payment. The timing of receipt of the outstanding grant payments is uncertain.

Outflows

During 2022, the Board of Directors approved the installation of multiple production lines at the Group's production facility at Benavente. The Group has signed agreements amounting to €18.3 million relating to the design, fit-out and installation of multiple production lines. At December 31, 2022, the Group had capital commitments of €12.4 million (2021: €nil) of which €6.4 million fall due for repayment during 2023. During 2023, the Group has already paid €1.3 million of this amount.

Further to the above, the Group has committed contract spend of approximately €7.9 million for 2023. During 2023, the Group has already paid €1.9 million of this amount.

As previously disclosed, the Group is in continual negotiations with third parties to fund its operations, as well as exploring all available sources of financing. Although negotiations have progressed (in some cases to the point of signed letters of intent or term sheets with third parties), none have reached the stage of executed definitive agreements at this time. As negotiations are fluid, it is possible that any particular negotiation could accelerate or be abandoned at any time. An announcement of any material agreement with a third party would be made when and if a binding agreement is reached with such third party. The inability to obtain funding, as and when needed, would have a negative impact on the Group's financial conditions and ability to pursue its business strategies. If the Group is unable to obtain funding, the Group could be forced to delay, reduce, or eliminate some or all of its research and development programs or strategic partnerships efforts, which could adversely affect its business prospects, or the Group may be unable to continue operations. Although management intends to pursue plans to obtain additional funding to finance its operations, there is no assurance that the Group will be successful in obtaining sufficient funding on terms acceptable to the Group to fund continuing operations, if at all.

The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this material uncertainty. Accordingly, the consolidated financial statements have been prepared on a basis that assumes the Group will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

New standards or amendments

There were no new standards effective for the period commencing 1 January 2022 that had a material impact on the Group. A number of new standards, amendments to standards and interpretations are not yet effective for the period and have not yet been applied in preparing the consolidated financial statements. The Group is in the process of assessing the impact on the financial statements of these new standards and amendments. Management currently expects no material impact on the Group's financial statements on adoption of these amendments.

Significant accounting policies

There have been no material changes to the Group's significant accounting policies, other than the introduction of an accounting policy for contract assets and government grants, as compared to the significant accounting policies described in the Form 20-F for the fiscal year ended December 31, 2021.

Government grants

The Group recognises government grants when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received. Government grants related to assets are deducted from the cost of the asset using the net presentation approach. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'trade and other payables' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Sale-and-leaseback transactions
The Group derecognises the asset from the statement of financial position with any gain or loss relating to the rights transferred as part of the sale recognised as other income. The leaseback shall be classified as either an operating lease or a finance lease. If the leaseback is classified as an operating lease, the asset shall be recognised in the statement of financial position and depreciated over its useful life. If the leaseback is classified as a finance lease, the asset shall remain derecognised and recognised as a right-of-use asset, and a liability shall be recognised for the present value of lease payments.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost comprises of direct materials and the cost of bringing the components to their present condition. Cost is based on weighted average price. Net realisable value is calculated as the estimated selling price arising in the ordinary course of business, net of estimated selling costs.

Segment information

The Group manages its operations as a single segment for the purposes of assessing performance and making operating decisions. The Group's focus is on the research and development around solar technologies. The Executive Committee, and in particular the Chief Financial Officer, is the chief operating decision maker who regularly reviews the consolidated operating results and makes decisions about the allocation of the Group's resources.

Research and development expenditure

Research costs are expensed to profit or loss as incurred and development costs are capitalised, where they meet the criteria for capitalisation.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Provisions – onerous contracts

A provision for an onerous contract is recognised when it becomes probable that the total contract costs will exceed total contract revenue. Before a provision for onerous contracts is recorded, the related assets under construction are measured at their net realisable value and written-off if necessary. Onerous contracts are identified by monitoring the progress of the contract together with the underlying programme status. An estimate of the related contract costs is made, which requires significant and complex assumptions, judgements and estimates related to achieving certain performance standards.

Current taxation

The current taxation charge is calculated at the amount expected to be recovered from or paid to the taxation authorities on the basis of the tax laws enacted or substantively enacted at the reporting date.

Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Class A ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction from equity, net of tax effects.

Derivative liabilities – warrants

Derivatives are initially recognised at their fair value on the date the derivative contract is entered into and transaction costs are expensed to profit or loss. The Company's warrants are subsequently re-measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

As the exercise price of the Company's share purchase warrants is fixed in US dollars and the functional currency of the Company is the Euro, these warrants are considered a derivative, as a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, these share purchase warrants are classified and accounted for as a derivative liability. The fair value is determined using market price on the NASDAQ under the ticker HTOOW.

When a warrant is exercised, the derivative liability is then reclassified to share premium.

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of the business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a "concentration test" that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Share-based payment arrangements

The grant-date fair value of equity-settled share-based payments arrangements granted to employees and non-employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the numbers of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. For share-based payment awards that vest at the discretion of the board of directors, the fair value is determined at the reporting date until such time that there is a shared understanding of the vesting period.

Financial instruments

Recognition and initial measurement

Receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Financial assets at fair value through profit or loss (FVTPL)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

Prepayments and other receivables

Prepayments and other receivables are recognised initially at fair value and then carried at amortised cost less allowance for impairment. The company applies the IFRS 9 *Financial Instruments* simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for other receivables.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand, and short-term deposits with a maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above. Restricted cash comprises cash that the Group is required to spend on specific projects and is not available for general use.

Property, plant and equipment

Property, plant and equipment is included at cost less accumulated depreciation and/or accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided using the straight-line method to write off cost to residual value over the estimated useful life of the individual asset. Land is not depreciated and assets categorised as being under construction are not depreciated until such time that they are in use. The following rates per annum are used:

Plant and machinery	3-10 years
Office and other equipment	3-10 years
Leases	Lease term

The carrying values of property, plant and equipment are reviewed for indicators of impairment at each reporting date or when events or changes in circumstances indicate the carrying value may not be recoverable (whichever is the earlier). If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired in a business combination are measured on initial recognition at their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and/or any accumulated impairment losses.

Product development costs are not amortised until such time that they are in use after which it is expected they will be amortised over their estimated useful lives (three to five years). Amortisation is provided using the straight-line method to write off cost to residual value over the estimated useful life of the individual asset. The following rates per annum are used:

Software	3 years
Completed development technology	3 years
Intellectual property	Indefinite useful life

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses, unless the product development costs are still being used in product development in which case it is considered indefinite useful life.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Impairment arises if the recoverable amount of the intangible asset is lower than its carrying value under IFRS. Recoverable amount is the higher of an asset’s value in use or its estimated realisable value less costs to sell.

If the carrying amount of an intangible asset exceeds its recoverable amount, an impairment loss is recognised in an amount equal to that excess.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, income taxes and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. These include but are not limited to:

Onerous contract provisions
At December 31, 2022, an onerous contract provision of €3.2 million has been recognised against our for two projects that had yet to commence by December 31, 2022 due to expected negative margins on these projects. Assumptions and estimates relating to onerous contract provisions are based on Management's expectations to materials and labour in determining the costs to complete the construction and timing of the delivery of these projects. At December 31, 2022, Management has also recorded an onerous contract provision relating to our Exolum project of €5.2 million which reflects the Group’s best estimate at this time of the total expected contract loss. When determining whether a contract is loss-making, the Company includes costs that are incremental such as costs for material and labour as well as an allocation of costs directly related to contract activities.

Impairment of capitalized development costs
The Company undertakes internal development projects for the advancement of both its miniaturised and centralised electrolyser product offerings. In the case of there being a trigger for a review of impairment of completed development projects, the Company performs a review on the carrying amounts to determine whether there is any indication of impairment at the reporting date. Our only development project currently capitalised, and being amortised, relates to technologies being used in our current sales and so remain relevant. Further capitalisations during the year relate to continuing design work for standard products and advancements or efficiencies that should allow the Group to improve its offering and gain interest in new markets. The Company tests annually the recoverable amounts of the development projects in progress to ensure that the capitalized costs have not over-run their operational or commercial value. Management expects the market for electrolysers will grow significantly in the coming years. The key drivers and indicators of momentum in the market for green hydrogen include societal and political pressure to limit CO2 emissions, regulatory push in national hydrogen roadmaps as well as decreasing cost of green hydrogen.

As of December 31, 2022, the carrying amount of development projects in progress is €0.7 million (2021: €1.9 million). The Company has an increasing order backlog, and the production ramp-up is progressing, albeit slower than expected. The technical feasibility of our miniaturised electrolyser has been demonstrated at our H2Evora site with further track record expected from our 3rd party Exolum project, as well as through an independent performance audit performed by TUV SUD, an association of experts that provides safety, security, and sustainability solutions. The practical ability to sell and a market for the products exist.

Please see note 12 for further information.

Impairment of property, plant and equipment – assets under construction
In the case of there being a trigger for a review of impairment, the Group performs a review on the carrying amounts of its property, plant and equipment to determine whether there is any indication of impairment at the reporting date. The Group particularly tests the net recoverable amounts of its internally generated assets held in assets under construction to ensure that the costs of their production have not over-run their operational or commercial value. One such trigger for impairment review, which has occurred in the current year, is that the Group was loss making and another was the increase in costs to complete certain projects currently recognised as assets under construction.

As of December 31, 2022, the carrying amount of our property plant and equipment assets under construction was €15.1 million (2021: €17.2 million). The Group identified an indicator of impairment associated with a specific portion of this amount. For these assets, the Group calculated the value in use based on he estimated cash flows expected to be generated by the asset and a terminal value. The expected cash flows are based on assumptions in respect of sales and operating costs. These cash flows are discounted to their present values using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. The estimation of forecasted revenues and the timing of expenditure requires judgement and is dependent on the economic factors associated with these assets. An impairment charge of €3.3 million has been recorded during 2022 for these assets.

Please see note 13 for further information.

4. Revenue

The Group intends to generate revenue primarily from entering into hydrogen purchase agreements with third parties. No revenue was generated during the current or previous years.

5. Administration expenses

	2022	2021	2020
	€'000	**€'000**	**€'000**
Wages and salaries	**8,706**	2,970	122
Depreciation and amortization	**1,002**	351	-
Professional fees	**1,722**	1,397	2,742
Consulting fees	**2,068**	1,085	183
Other expenses	**4,918**	1,707	303
Administration expenses	**18,416**	7,510	3,350

6. Finance costs/ income

	2022	2021	2020
	€'000	**€'000**	**€'000**
Finance costs			
Interest and similar expenses	**62**	23	10
Foreign exchange variances	**-**	-	667
Fair value loss on short-term investments	**900**	-	-
	962	23	677
Finance income			
Foreign exchange variances	**1,379**	2,392	-
Interest receivable and similar income	**-**	-	2
Fair value gain on short-term investments	**-**	47	-
Other finance income	-	274	-
	1,379	2,713	2

7. Share-based payments

2021 Equity Incentive Plan

On August 5, 2021, the Company's Board of Directors adopted and approved the 2021 Equity Incentive Plan (the 2021 Plan), which authorized the Company to grant up to 1,000,000 Class A ordinary shares in the form of incentive share options, non-qualified share options, share appreciation rights, restricted awards, performance share awards, cash awards and other share awards. The types of share-based awards, including the rights amount, terms, and exercisability provisions of grants are determined by the Company's Board of Directors.

Restricted Share Units (RSUs)
The Company granted 59,441 RSU's to employees and directors during the year ended December 31, 2022 (2021: 57,896 and 2020: nil). The table below shows the number of RSUs granted covering an equal number of the Company's Class A ordinary shares and the weighted-average grant date fair value of the RSUs granted:

	Number of RSUs		Weighted average grant date fair value per share	
	2022	**2021**	**2022**	**2021**
As at 1 January	42,896	**-**	$ 12.24	**-**
Granted during the year	59,441	57,896	$ 8.00	$ 12.24
Vested during the year (1)	(14,253)	(15,000)	$ 12.17	$ 12.24
Forfeited during the year	(442)	**-**	$ 12.24	-
As at December 31	**87,642**	**42,896**	**$ 11.43**	**$ 12.24**

(1) No ordinary shares were issued in connection with the RSUs that vested during the years ended December 31, 2022 and 2021.

RSUs are issued as incentive compensation to executives, employees, and non-employee directors with service being the only condition associated with the award. Each RSU represents a right to one share of our common stock, upon vesting. The RSUs are not entitled to voting rights or dividends, if any, until vested. The fair value of the RSUs is determined on the date of grant based on the market price of the Company's ordinary shares on that date. The fair value of RSUs is expensed rateably over the vesting period, which is generally three years for employees. The total expense recognized related to the RSUs was €0.53 million for the year ended December 31, 2022 (2021: €0.17 million and 2020: €nil). Total unamortized compensation expense related to the RSUs was €0.35 million as of December 31, 2022 (2021: €0.39 million, which is expected to be recognized over a remaining average vesting period of 1.7 years as of December 31, 2022 (2021: 2.44 years).

Share options

On January 3, 2022, the Company announced that under the 2021 Plan, its Board of Directors ("the Board") approved an award of options for five of its senior managers. Regarding each senior manager, the award comprises three tranches:

- *Tranche 1*: A grant of an option to purchase 200,000 Class A ordinary shares having an exercise price of $10.50 per share to vest over a three-year period.
- *Tranche 2*: A grant of an option to purchase an additional 200,000 Class A ordinary shares having an exercise price of $10.50 per share to vest once Parent's share price closed at or above $18.00 during twenty trading days out of any thirty consecutive trading day period.
- Tranche 3: Eligibility to receive an option to purchase up to an additional 50,000 Class A ordinary shares having an exercise price equal to the average last sales price of the Class A Ordinary Shares over the five (5) consecutive trading day period ending on the date of grant, but in no event to be lower than $10.50 per share, for each of calendar years 2022, 2023 and 2024, each to be granted based on individual performance at the discretion of the Compensation Committee of the board of directors. The board of directors did not grant any awards under this tranche during the year ended December 31, 2022.

All options granted will expire on December 31, 2028.

The Company granted 2,128,554 options to employees and directors during the year ended December 31, 2022 (2021: Nil). Included in this amount are 128,554 options that were issued to our non-executive directors as part of their annual compensation. These options vested in full by December 31, 2022.

The fair value of the options granted during the year ended December 31, 2022, were estimated using the Black-Scholes option-pricing model. The inputs for the Black-Scholes model require management's significant assumptions. The risk-free interest rate was based on a normalized estimate of the 7-year U.S. treasury yield. The Company does not have sufficient company-specific historical and implied volatility information and it therefore estimates its expected share volatility based on historical volatility information of reasonably comparable guideline public companies and itself. The Company expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded share price. Expected dividend yield is based on the fact that the Company has never paid cash dividends and its future ability to pay cash dividends on its shares may be limited by the terms of any future debt or preferred securities.

The range of assumptions that the Company used to determine the grant date fair value of employee and director options granted were as follows:

	Tranche 1	**Tranche 2**	**Directors**
Volatility	70.91%	70.91%	75.32%
Expected term in years	7	7	6.92
Dividend rate	0%	0%	0%
Risk-free interest rate	1.58%	1.58%	1.58
Hurdle price	-	$18	-
Exercise price	$10.50	$10.50	$6.45
Share price	$9.42	$9.42	5.03
Fair value of option on grant date	$6.14	$6.18	3.31

The table below shows the number of options granted covering an equal number of the Company's Class A ordinary shares and the weighted-average grant date fair value of the options granted:

	Number of options	Weighted average Grant date fair value per share
Options outstanding December 31, 2021	-	$ -
Granted during the year	2,128,554	$ 5.21
Vested during the year	(461,887)	$ 3.31
Options outstanding December 31, 2022	**1,666,667**	**$ 5.21**

There were 1,666,667 unvested employee and director options outstanding as of December 31, 2022 (2021: €nil). Total expense recognized related to the employee and director share options was €2.96 million for the year ended December 31, 2022 (2021: €nil). Total unamortized compensation expense related to employee and director share options was €8.27 million as of December 31, 2022 (2021: €nil), expected to be recognized over a remaining weighted average vesting period of 4 years as of December 31, 2022 (2021: nil).

Incentive shares

As part of their compensation package, the non-executive directors that were appointed in December 2020 were granted 5,000 shares for each year of service to the Company.

	Number of shares	Weighted average Grant date fair value per share
Incentive shares outstanding December 31, 2021	30,000	$ 23
Forfeited	(25,000)	$ -
Incentive shares outstanding December 31, 2022	**5,000**	**$ 23**

The above shares vest at the discretion of the board of directors. In exchange for the share options that were granted above, the holders of the incentive shares agreed to forfeit their rights to incentive shares relating to years two and three of their tenure as a non-executive director. The total expense for these shares recognised in the year ended December 31, 2022, and 2021 was €0.02 million and €0.33 million respectively.

As of December 31, 2022, there was no unrecognised share-based payment expense related to the incentive shares. The shares have been recorded at their fair value at December 31, 2022.

Reconciliation to statement of profit and loss

	2022	**2021**	**2020**
	€'000	**€'000**	**€'000**
2020 Earn-Out	**-**	(1,400)	1,400
RSUs	**526**	228	**-**
Incentive shares	**21**	331	38
Options	**2,962**	-	**-**
Share-based payment expense/ (credit)	**3,509**	(841)	1,438

8. Leases

In the normal course of its business, the Group leases property, vehicles and land.

On 20 December 2022, the Group entered into a sale and leaseback transaction relating to its production facility at Benavente. The leaseback arrangement has an initial term of 20 years and will be automatically renewed for a further ten years unless the Group provides sufficient notice to terminate.

On January 1, 2021, the Group entered into a property sub-lease for office space with a related party. The property sub-lease has an initial term of five years and will be automatically renewed for a further five years if neither the landlord nor tenant provide sufficient notice to terminate. The Group has the option to terminate the sub-lease without penalty any time after the first anniversary of the lease provided sufficient notice is communicated to the landlord. The terms of this sub-lease agreement were negotiated on an arms-length basis.

The Group has estimated the duration of the property sub-lease to be four years from lease commencement, considering the cancellable period which represents a change of estimate from the prior year. At inception of this lease, we estimated that the term would only be two years. This change in estimate has been accounted for prospectively in these financial statements. The Group's expansion plans mean the current sub-lease in Portugal may not be fit for purpose and therefore, the Group is expected to terminate the sub-lease within two years. The Group is currently exploring real estate opportunities in Portugal.

In Q4 2021, the Group entered into a license agreement for shared office space in Ireland. The license agreement has a term of 12 months and will be automatically renewed for another year if neither party provide sufficient notice to terminate before the end of the term. During Q4 2022, the Group extended its lease agreement by a further 24 months.

The vehicle leases commenced in July 2021 and since then, the Group has entered into eleven separate contracts. The duration of the contracts range from 48 to 60 months.

The land leases were entered into for the purpose of developing our Évora I and II projects. The two land leases were negotiated and signed with the respective owners for 30 years and are extendable. No new land leases were entered into during 2022.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Information about leases for which the Group is a lessee is presented below.

i. Right-of-use assets

Right-of-use assets related to leased properties, vehicles and land are presented as property, plant and equipment.

	Equipment €'000	**Properties €'000**	**Vehicles €'000**	**Land €'000**	**Total €'000**
January 1, 2021	-	-	-	-	-
Additions right-of-use assets	-	650	267	194	1,111
Depreciation charge for the period	-	(293)	(19)	(8)	(320)
January 1, 2022	-	357	248	186	791
Additions right-of-use assets	48	6,673	274	-	6,995
Revaluation of right-of-use assets	-	708	-	-	708
Derecognition of right-of-use assets	-	-	(44)	-	(44)
Depreciation charge for the period	(3)	(360)	(84)	(7)	(454)
December 31, 2022	**45**	**7,378**	**394**	**179**	**7,996**

ii. Amounts recognized in the Consolidated statement of profit or loss and other comprehensive income.

	2022 €'000	**2021 €'000**	**2020 €'000**
Interest on lease liabilities	32	22	-
Expenses relating to short-term leases	428	127	-
Depreciation of right-of-use assets	454	319	-

iii. Amounts recognized in statement of cash flows.

	2022	2021	2021
	€'000	€'000	€'000
Total cash outflow for leases	1,314	470	-

iv. Lease liabilities.

Lease liabilities are payable as follows.

	Future minimum lease payments 2022	Interest 2022	Present value of minimum lease payments 2022
	€'000	€'000	€'000
Less than one year	1,118	447	671
Between two and five years	3,749	1,925	1,824
More than five years	8,602	2,774	5,827
	13,469	5,146	8,322

Reconciliation of lease liabilities is as follows.

	€'000
Balance at January 1, 2021	-
Payment of lease liabilities	(311)
New leases	1,111
Interest expense	22
Interest paid	(22)
Balance at January 1, 2022	800
Payment of lease liabilities	(445)
New leases	7,303
Revaluations	708
Derecognition	(44)
Interest expense	32
Interest paid	(32)
Balance at December 31, 2022	**8,322**

	2022	2021
	€'000	€'000
Non-current		
Lease liability	**7,651**	411
Current		
Lease liability (note 17)	**671**	389
Balance at period end	**8,322**	800

The Group discounted its remaining lease payments for the calculation of the lease liability using an incremental borrowing rate ranging between 3% and 6%.

9. Inventory

	2022	2021
	€'000	€'000
Raw materials	**5,785**	3,685
Work in progress	**16,551**	-
	22,336	3,685

Inventories of €17.6 million were consumed during the years ended December 31, 2022 (2021: €nil). During 2022, we incurred €0.5 million (2021: €nil) of production, conversion and other costs incurred in bringing the inventory to its present condition. These costs have been included in 'administration costs'.

The cost of scraped materials through the normal production cycle amounted to €0.4 million (2021: €nil 0). These items were recognised as an expense during 2022, in 'cost of sales'.

10. Taxation

The Group earned no revenues in 2022. The Group recorded a loss before income tax of €27.3 million during the year (2021: €23.6 million profit), which was reduced by €7.6 million (2021: €28.4 million) related to non-cash fair value gains on its derivative financial instruments (Warrants). For the year ended December 31, 2020, the Group earned no revenues and generated tax losses. It recognised a current and deferred tax expense of €nil for each of the years ended December 31, 2021, and 2020.

During 2022, 2021 and 2020, the Group's Portuguese operations were subject to a statutory tax rate of 21%. In Ireland, the headline corporate income tax rate for trading companies is 12.5%, with a rate of 25% applicable to other non-trading sources.

A reconciliation between taxes on income / losses reflected on the Consolidated statement of profit or loss and other comprehensive income and the expected income tax benefit, based on the Company's statutory tax rate, for the years ended December 31, 2022, 2021 and 2020 is as follows:

	2022 €'000	2021 €'000	2020 €'000
Profit/ (loss) before tax	(27,313)	23,564	(183,130)
Tax using Company's domestic tax rate at 12.5%	3,414	(2,945)	22,931
Tax effect of:			
Non-deductible expenses / non-taxable income	(842)	3,848	(22,428)
Current-year losses for which no deferred tax asset is recognized	(3,973)	(1,312)	(503)
Impacts of different foreign tax rates	1,435	409	-
Total tax charge	**34**	-	-

As of December 31, 2022, the Group had unrecognised deferred tax assets of €6.2 million (2021: €1.7 million) mostly relating to tax losses incurred. No deferred tax assets have been recognized due to the uncertainty of the Group's ability to generate taxable profits in the foreseeable future. The current assessment regarding the usability of deferred tax assets may change, depending on the Group's taxable income in future years.

11. Equity-accounted investees

	€'000
Interest in joint venture	
January 1, 2021	-
Investment during the year	629
Loss for the year attributable to the Group	(629)
December 31, 2021	-
Investment during the year	628
Loss for the year attributable to the Group	(628)
December 31, 2022	**-**

On July 22, 2021, the Company entered into a shareholder agreement with two other parties, Greatex Family Enterprises LDA ("GFE") and ERE Desarrollos Empresanales S.L. ("EREE") for a 50% ownership of Fusion Fuel Spain, S.L. ("Fusion Fuel Spain").

Fusion Fuel Spain is structured as a separate vehicle. Accordingly, the Group has classified its interest in Fusion Fuel Spain as a joint venture. In accordance with the agreement under which Fusion Fuel Spain was established, the Group and the other investors in the joint venture have agreed to meet the financial needs of Fusion Fuel Spain by seeking outside financing, by either: (i) applying for or requesting any subsidies available, whether community or national, public of private; or (ii) negotiating financing with local banks if Fusion Fuel Spain lacks the necessary funds to carry out its principal activities.

Under the terms of the shareholder agreement, the Group committed to contribute up to €2 million in the form of a subordinated loan to finance the growth and working capital needs of Fusion Fuel Spain. This loan facility has a term of five years and bears interest of 4% per annum. An additional interest charge of 2% will be payable from Fusion Fuel Spain if EBITDA targets are achieved. Under this facility, Fusion Fuel Spain drew down €1.27 million up until the year ended December 31, 2022. No commitment has been recognised in these consolidated financial statements for any future investment in Fusion Fuel Spain.

12. Intangible assets

2022	Completed development technology €'000	Product development in progress €'000	Intellectual property and patents registration €'000	Software €'000	Total €'000
Cost					
January 1, 2022	-	1,918	1,911	23	3,852
Additions*	37	1,733	-	81	1,851
Transfers during the year	2,934	(2,934)	-	-	-
December 31, 2022	2,971	717	1,911	104	5,703
Amortisation					
January 1, 2022	-	-	-	(5)	(5)
Amortisation charge	(330)	-	-	(18)	(348)
December 31, 2022	(330)	-	-	(23)	(353)
Net book value					
At December 31, 2022	**2,641**	**717**	**1,911**	**81**	**5,350**
2021					
Cost					
January 1, 2021	-	288	1,911	4	2,203
Additions	-	1,630	-	19	1,649
December 31, 2021	-	1,918	1,911	23	3,852
Amortisation					
January 1, 2021	-	-	-	-	-
Amortisation charge	-	-	-	(5)	(5)
December 31, 2021	-	-	-	(5)	(5)
Net book value					
At December 31, 2021	**-**	**1,918**	**1,911**	**18**	**3,847**

* The additions relate to materials acquired during the period for the purpose of developing our HEVO technology.

Intellectual property of €1.9 million (2021: €1.9 million) and capitalised project development costs of €0.7 million (2021: €1.9 million) are considered to be of indefinite life and accordingly are not amortized. Completed development technology represents the costs incurred on bringing our first generation HEVO electrolyzer to market and is being amortised over a useful life of 3 years. This asset transferred from product development in progress during the year.

Research and development expenditure (excluding those related to wages and salaries) of €0.9 million (2021: €0.2 million) have been recognised during the year.

The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 December 2022, the market capitalisation of the Group was above the book value of its equity. In addition, there are indicators of momentum in the market for green hydrogen, including ongoing societal and political pressure to limit CO2 emissions with the European Union as well as several individual countries across the world developing green hydrogen roadmaps. This momentum should lead to increased demand for our product and a reduction in the cost of green hydrogen. No indicators of impairment were deemed to exist for this Cash Generating Unit.

13. Property, plant and equipment

2022	Assets under construction €'000	Plant and machinery €'000	Office and other equipment €'000	Right of use assets €'000	Total €'000
Cost					
At January 1, 2022	17,161	-	185	1,111	18,457
Additions during the year	9,191	1,267	274	322	11,054
Revaluation	-	-	-	708	708
Transfers during the year	(2,149)	70	(70)	-	(2,149)
Sale-and-leaseback	(8,294)	-	-	6,673	(1,621)
Disposals	-	-	-	(52)	(52)
Grant income	(803)	-	-	-	(803)
At December 31, 2022	**15,106**	**1,337**	**389**	**8,762**	**25,594**
Depreciation					
At January 1, 2022	-	-	(28)	(319)	(347)
Charge for year	-	(141)	(66)	(454)	(661)
Transfers during the year	-	(10)	10	-	-
Impairment charge	(3,321)	-	-	-	(3,321)
Derecognition	-	-	-	8	8
At December 31, 2022	**(3,321)**	**(151)**	**(84)**	**(765)**	**(4,321)**
Net book values					
At December 31, 2022	**11,785**	**1,186**	**305**	**7,997**	**21,273**
At December 31, 2021	**17,161**	**-**	**157**	**793**	**18,111**

During 2022, the Group entered into a Grant agreement with Agência para o Investimento e Comércio Externo de Portugal, E.P.E. ("AICEP") relating to the Benavente production facility. The Group submitted its first claims under this agreement during 2022, which amounted to €0.8 million. Using the net presentation method available under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* ("IAS 20"), the Group has netted this amount against the carrying value of the asset.

As disclosed previously, in December 2022, we entered into a sale and leaseback transaction for our Benavente production facility. The above asset was re-recognised from assets under construction and subsequently recognized as a right of use asset. The Group recorded a gain of €0.14 million on the sale of the property, which yielded consideration of €9.32 million. Detailed information about the leases is available in note 8.

Impairment charge – assets under construction

Entities are required to conduct impairment tests where there is an indication of impairment of an asset. The following indications of impairment were considered as part of the impairment analysis; cash flows for completing the assets are higher than originally budgeted, and the assets are expected to generate lower returns than originally expected.

IAS 36 - Impairment of Assets stipulates that an impairment loss is the amount by which the carrying value of an asset exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs of disposal and its value in use. Value in use is calculated by taking the Net Present Value (NPV) of expected future cash flows from the asset discounted at an appropriate discount rate.

The value in use calculation was determined at the Cash Generating Unit ("CGU"). The CGU consisted of the cash inflows and outflows that were expected to be generated by our internally generated hydrogen production plants. In determining the value in use for the CGU, the cash flows were discounted at a rate of 10.5% on a pre-tax basis. The cash flows beyond the five-year period are extrapolated using a 7.1% growth rate that is equal to the historic inflation rate in Portugal over a 45-year period. Management expects that internally generated hydrogen production plants will have useful lives ranging between 20 and 25 years. The estimated recoverable amount of the Groups internally generated hydrogen production plants was lower than the respective carrying amount at the time of the impairment test. An impairment charge of €3.3 million was recorded during 2022 (2021: €nil).

2021	Assets under construction €'000	Office and other equipment €'000	Right of use assets €'000	Total €'000
Cost				
At January 1, 2021	6	-	-	6
Additions during the year	17,155	185	1,111	18,451
At December 31, 2021	**17,161**	185	1,111	18,457
Depreciation				
At January 1, 2021	-	-	-	-
Charge for year	-	(28)	(318)	(346)
At December 31, 2021	**-**	(28)	(318)	(346)
Net book values				
At December 31, 2021	**17,161**	**157**	**793**	**18,111**
At December 31, 2020	6	-	-	6

Depreciation expense on property and equipment was €0.6 million and €0.3 million for the year ended December 31, 2022, and 2021, respectively. Assets under construction includes costs mostly related to construction of our two Évora hydrogen plants, costs incurred on our HEVO-Sul project and our Benavente production facility.

14. Financial asset investments at fair value through profit or loss

	2022 €'000
January 1, 2021	-
Investments during the year	44,328
Redemptions	(18,169)
Unrealised gains and losses	47
Translation differences	1,247
December 31, 2021	27,453
Redemptions	(27,892)
Realised gains and losses	(900)
Translation differences	1,339
December 31, 2022	-

The financial asset investments at fair value through profit or loss consisted of short-term investments in listed managed funds which had daily liquidity. The investments are reported at fair value with unrealized gains or losses recorded in the consolidated statements of operations and comprehensive loss. Any differences between the cost and fair value of investments are represented by unrealized gains or losses. The Group exited all positions during the year ended December 31, 2022.

15. Cash and cash equivalents

	2022	2021
	€'000	**€'000**
Cash and cash equivalents	**5,239**	7,681
Restricted cash	**2,925**	-
	8,164	7,681

The restricted cash relates to an amount of €2.9 million received from the Agency for Competitiveness and Innovation ("IAPMEI") as grant aid towards our C-5 development project. This cash is subject to a variety of conditions relating to its disbursements and remains restricted until such time that project development commences.

16. Prepayments and other receivables

	2022	2021
	€'000	**€'000**
Prepayments (1)	**2,010**	4,575
VAT recoverable (2)	**3,669**	3,564
Other receivables (3)	**2,563**	333
	8,242	8,472

(1) Prepayments mostly consist of advance payments to vendors for payments relating to inventory and assets under construction ahead of receipt.

(2) Of this balance, €2.2 million has been received subsequent to year end.

(3) Included within this caption is the grant receivable recognised as part of property, plant and equipment (€0.8 million), the deferred proceeds (€1.0 million) and security deposit (€0.3 million) paid as part of the sale and leaseback transaction entered into during the year.

Information about the Group's exposure to credit risk and impairment losses for trade and other receivables is included in note 22 (c).

17. Trade and other payables

	2022	2021
	€'000	**€'000**
Trade payables	**3,680**	1,029
Amounts owed to related parties (1)	**2,468**	801
Lease liability - current	**671**	389
Payroll taxes	**278**	149
Other payables	**165**	509
Trade and other payables	**7,262**	2,877

(1) This amount relates to a balance owing to an affiliate, MagP.

18. Deferred income

	2022	2021
	€'000	**€'000**
Current		
Grant proceeds received	**186**	-
Non-current		
Grant proceeds received	**2,925**	-

In December 2022, €2.9 million was advanced to the Group as part of its C-5 grant award. This grant funding can only be spent on a specific project and cannot be used by the Group in the ordinary course of business. As no project expenditure has been incurred to date, this amount will be recognised as deferred income until such time that it can be offset against project expenditure.

19. Provisions

Onerous contract provisions	**€'000**
At January 1, 2022	**-**
Provisions made during the year	8,403
At December 31, 2022	**8,403**

The provisions made during the year are included in 'cost of sales'.

Exolum
Work commenced on the Exolum project during the third quarter of 2022. On review of the revised project costs, the Company expects this project to be loss making. The Group has recognized an onerous contract provision of €5.2 million which reflects the Group's best estimate at this time of the total expected contract loss.

Other
The Group has also recorded an onerous contract provision for two projects that had yet to commence by December 31, 2022. The Group has recognized an onerous contract provision of €3.2 million which reflects the Group's best estimate at this time of the total expected contract loss. The total provision booked for these projects was €3.2 million.

For some of its contracts, the Group will provide three separate warranties as follows:

General
There is a general warranty period of two years from the date of construction of the plant. On successful completion of this two-year period and final acceptance of the plant, ownership will pass to Exolum.

Equipment
The Company will provide warranties on the key equipment and components for periods ranging between 2 and 20 years from the date of final completion. Certain items with longer warranty periods have many years of historical performance data, while our own HEVO technology has shorter historical performance data.

Performance guarantees
The Company has agreed to performance-related warranties covering both degradation over time and specified energy yields for period ranging between 2 and 25 years from the date of final acceptance.

The determination of provisions for onerous contracts, is based on best estimates. The above provision does not include any amounts related to the general equipment warranties or performance guarantees. If the final loss related to the completion of these projects differs from the above, the Group will adjust the provision accordingly. We expect all outflows relating to the above provision to take place within 12 months of December 31, 2022.

20. Shareholders' equity

As of December 31, 2022, the total number of Class A ordinary shares of the Company outstanding was 13,805,649 (2021: 10,998,723) with a par value of $0.0001. The Class B ordinary shares were converted to Class A ordinary shares on December 5, 2022 which meant that there were none outstanding at the end of 2022 (2021: 2,125,000).

During the year, as part of the ATM, Parent sold 681,926 class A ordinary shares for net proceeds of $3,685,792.

The share capital of Fusion Fuel Green plc is as follows:

	Number of shares	€'000
Opening balance – January 1, 2021	12,054,217	1
Exercise of warrants	1,059,506	1
Issue of shares – Equity incentive plan	10,000	-
Closing balance – December 31, 2021	**13,123,723**	2
Opening balance – January 1, 2022	13,123,723	2
Issue of shares – ATM	681,926	-
Closing balance – December 31, 2022	**13,805,649**	**2**

A historical summary of the share capital of Fusion Fuel is as follows:

Type of share	Number of shares	€'000	Description
1 Ordinary share of €1,000	1	1	Issued on incorporation
1,000 Ordinary shares of €1 each	999	-	1 share converted to 1,000 shares of €1 each
49,000 Ordinary shares of €1 each	49,000	49	Issued on January 31, 2020
	50,000	50	
Class A ordinary shares of $0.0001 each	7,033,356	1	Issued on closing of HL Transaction
Class A ordinary shares of $0.0001 each	2,450,000	-	Issued to PIPE Investors
Class A ordinary shares of $0.0001 each	445,861	-	Exercise of warrants
	9,929,217	1	
Class B ordinary shares of $0.0001 each	2,125,000	-	Issued to Fusion Fuel shareholders
	12,054,217	**1**	**Closing balance – December 31, 2020**

On the acquisition date, Fusion Fuel Green plc had 7,033,356 Class A ordinary shares with a par value of $0.0001 and 2,125,000 Class B ordinary shares with a par value of $0.0001. Immediately following the closing of the above transaction, the Company closed a series of subscription agreements with accredited investors ("PIPE Investors") for the sale in a private placement of 2,450,000 Class A ordinary shares of Parent.

The HL Transaction and PIPE Financing led to an increase in share premium of €188 million. There were also transaction costs of €5 million netted against equity.

Share rights

The Class A ordinary shareholders have the right to exercise one vote at any general meeting of the Company, to participate pro rata in all the dividends declared by the Company and the rights in the event of the Company's winding up are to participate pro-rata in the total assets of the Company.

The Class B Ordinary shares were converted in full to Class A Ordinary shares on December 5, 2022. The rights that were formally assigned to these shares, in addition to the rights outlined above for the Class A shareholders included certain protective rights that include the right to approve any liquidation or similar transaction of the Company. The Class B shareholders also had the right to approve any creation or issuance of any new class or series of capital stock or equity securities convertible into capital stock or changes to the Company's board of directors. With these protective provisions, the holders of Class B Ordinary shares were able to veto certain actions in a way that their relative ownership would not otherwise permit.

There were 25,000 deferred shares with a nominal value of €1 each, which were non-voting shares and did not convey upon the holder the right to be paid a dividend or to receive notice of or to attend, vote or speak at a general meeting. On December 10, 2020 the 25,000 deferred shares were cancelled.

21. Warrants

The functional currency of the Company is the Euro and as the exercise price of the Company's share purchase warrants is fixed in US Dollars, these warrants are considered a liability as a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, these warrants are classified and accounted for as a derivative liability at fair value through profit or loss.

As of December 31, 2022 and December 31, 2021 there were 8,869,633 warrants outstanding. The warrants entitle the holder to purchase one Class A ordinary share of Parent at an exercise price of $11.50 per share. Until warrant holders acquire the Parent's Class A ordinary shares upon exercise of such warrants, they have no rights with respect to the Parent's Class A ordinary shares. The warrants expire on December 10, 2025, or earlier upon redemption or liquidation in accordance with their terms.

The fair value of the warrants is determined with reference to the prevailing market price for warrants that are trading on the NASDAQ under the ticker HTOOW.

	Total no. of warrants
In issue at December 31, 2020	9,929,139
Exercise of warrants during the year	(1,059,506)
In issue at December 31, 2021	8,869,633
Exercise of warrants during the year	-
In issue at December 31, 2022	8,869,633

The fair value of the warrants as at December 31, 2022 and December 31, 2021 was $0.92 and $1.95 respectively. See reconciliation of fair values below.

	€'000
Balance – January 1, 2021	52,932
Fair value movement on warrants exercised*	3,211
Warrants exercised – foreign exchange differences**	67
Fair value movement on warrants unexercised (including exchange differences)*	(31,565)
Derecognition of warrant liability on exercise***	(9,374)
Balance – December 31, 2021	15,271
Fair value movement on warrants unexercised (including exchange differences)	(7,620)
Balance – December 31, 2022	**7,651**

* recognised in profit or loss - Adjustments to the fair value of derivatives – warrants (€28,354)
** recognised in profit or loss - Other finance income
*** recognised in equity – Share premium

22. Financial instruments and risk management

(a) Accounting classifications and fair value

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between fair value levels during the year.

As at December 31, 2022, the tradeable warrants are measured at fair value using Level 1 inputs. The fair value of the tradeable warrants are measured based on quoted market prices at each reporting date. See notes 19 for the fair value analysis.

	Carrying value			Fair value			
	Cash and receivables €'000	Liabilities €'000	Total carrying amount €'000	Level 1 €'000	Level 2 €'000	Level 3 €'000	Total €'000
2022							
Cash and cash equivalents	8,164	-	8,164	-	-	-	-
Other receivables*	2,311	-	2,311	-	-	-	-
Trade payables	-	(3,680)	(3,680)	-	-	-	-
Warrants	-	(7,651)	(7,651)	(7,651)	-	-	(7,651)
Amounts owed to related parties	-	(2,468)	(2,468)				
Other payables**	-	(165)	(165)	-	-	-	-
	10,475	**(13,964)**	**(3,489)**	**(7,651)**	**-**	**-**	**(7,651)**
2021							
Cash and cash equivalents	7,681	-	7,681	-	-	-	-
Financial assets at FVTPL	27,453	-	27,453	27,453			27,453
Other receivables*	333	-	333	-	-	-	-
Trade payables	-	(1,029)	(1,029)	-	-	-	-
Warrants	-	(15,271)	(15,271)	(15,271)	-	-	(15,271)
Other payables**	-	(1,687)-	(1,687)	-	-	-	-
	35,467	**(17,987)**	**17,480**	**12,182**	-	**-**	**12,182**

* Prepayments and VAT have been excluded as they are not classified as a financial asset.
** Employment taxes have been excluded as these are statutory liabilities.

Cash and cash equivalents
For cash and cash equivalents, the carrying value is deemed to reflect a reasonable approximation of fair value.

Other receivables/payables
For the receivables and payables with a remaining term of less than one year or on demand balances, the carrying amount less impairment allowances, where appropriate, is a reasonable approximation of fair value.

Financial assets at FVTPL
Financial assets at FVTPL are remeasured to fair value at each reporting date. At December 31, 2021, the carrying value of financial assets at FVTPL is deemed to reflect their fair value. The Group held no financial assets at FVTPL at December 31, 2022.

(b) Financial risk management

The Group's operations expose it to various financial risks that include credit risk, liquidity risk and market risk. The Group has a risk management framework in place which seeks to limit the impact of these risks on the financial performance of the Group. It is the policy of the Group to manage these risks in a non-speculative manner.

This note presents information about the Group's exposure to each of the above risks and the objectives, policies and processes for measuring and managing the risks. Further quantitative and qualitative disclosures are included throughout this note.
The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

(c) Credit risk

Exposure to credit risk
Credit risk arises from granting credit to customers or others and from investing cash and cash equivalents with banks and financial institutions. The Group have not granted credit to customers to date as the Group has not earned any revenues.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's cash and cash equivalents. The carrying amounts of financial assets represent the maximum credit exposure. There were no impairment losses on financial assets recognised in profit or loss.

Other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk and country in which customers operate.

In monitoring credit risk, receivables are grouped according to their credit characteristics, including their geographic location, industry, trading history with the Group and existence of previous financial difficulties. The Group does not require collateral in respect of its receivables.

At December 31, 2022, the exposure to credit risk for receivables by geographic region was not significant.

Cash and short-term bank deposits
The Group held cash and cash equivalents of €8.1 million at December 31, 2022 (2021: €7.7 million). 87% of the cash and cash equivalents are held with banks in Portugal. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Groups exposure to credit risk rating is as follows:

	2022	**2021**
Credit risk rating		
Aa2	12%	-
BBB+	75%	29%
B1	12%	-
B2	-	68%
Not assigned	1%	3%
	100%	100%

Financial assets at FVTPL
The financial asset investments at fair value through profit or loss consisted of short-term investments in listed managed funds. The carrying value of these investments at December 31, 2022 was €nil (2021: €27.5 million). All of these short-term investments were redeemed during 2022.

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable costs or risking damage to the Group's reputation.

Contractual maturities

The following are the expected contractual maturities of the Group's financial liabilities, including estimated interest payments.

	Carrying amount €'000	Contractual cash flows €'000	Less than one year €'000	1 – 2 years €'000	2 – 5 years €'000	More than 5 years €'000
December 31, 2022						
Derivative financial instruments – warrants*	7,651	-	-	-	-	-
Trade payables	3,680	3,680	3,680	-	-	-
Amounts owed to related parties	2,468	2,468	2,468	-	-	-
Other payables	165	165	165	-	-	-
Lease liabilities	9,409	13,468	1,118	1,107	1,409	9,835
Loan advanced (Note 11)	-	743	743	-	-	-
Total	**23,373**	**20,524**	**8,174**	**1,107**	**1,409**	**9,835**
December 31, 2021						
Derivative financial instruments – warrants*	15,271	-	-	-	-	-
Trade payables	1,029	1,029	1,029			
Amounts owed to related parties	801	801	801	-	-	-
Other payables	1,687	1,687	1,687	-	-	-
Lease liabilities	800	910	408	105	163	233
Loan advanced (Note 12)	-	1,371	1,371			
Total	**19,588**	**5,798**	**20,567**	**105**	**163**	**233**

* contractual cash flows for warrants are €nil (liability of €7.7 million) (2021: €15.3 million) because warrants will be settled in shares.

(e) Market risk and interest rate risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. Interest rate risk is not significant to the Group.

(f) Foreign exchange risk

The Group uses the Euro as its functional currency. Foreign exchange rate risk is the risk that the fair value of Group assets or liabilities, or future expected cash flows will fluctuate because of changes in foreign currency exchange rates. While the Company's shares are listed in US dollars, the currency of the primary operating environment of the Group is the Euro, and its exposure to the risk of changes in foreign currency would arise primarily when revenue or expense is denominated in a currency other than the Euro. The Company is building out its operations in the United States of America and Australia but, to date, has not entered into any significant commercial contracts. As of December 31, 2022 the Group's operations were confined to the Eurozone, so the effect of the translation of foreign operations is not significant to the Group. At the year-end the Company had USD and EUR cash balances of approximately $0.3 million (2021: $22.9 million) and €7.8 million (2021: €14.8 million) respectively.

The following significant exchange rates have been applied during the year.

	Average rate		Period-end spot rate	
	2022	**2021**	**2022**	**2021**
Euro				
USD	1.0530	1.1795	1.0666	1.1326

Sensitivity analysis
A reasonably possible strengthening of the Euro against the Group's principal foreign currency denominated amounts at December 31, 2022 would have decreased the Group's loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	2022 €'000	**2021 €'000**
USD (10 percent strengthening of the euro)	**796**	761

(g) Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain the future development of the business. The board of directors monitors the return on capital.

23. Loss per share

	2022	**2021**
Basic (loss)/ earnings per ordinary share	(2.05)	1.80
Diluted (loss)/ earnings per ordinary share	(2.05)	1.79
Number of ordinary shares used for loss per share (weighted average)		
Basic	13,330,947	13,110,158
Diluted	13,330,947	13,198,054

Basic earnings/ (loss) per share is calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of Class A ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into Class A ordinary shares. The diluted loss per share reflects the basic loss per share since the effects of potentially dilutive securities are anti-dilutive. For the year ended 31 December 2022, the Group was loss-making, therefore, the following anti-dilutive instruments are excluded in the calculation of diluted weighted average number of ordinary shares outstanding:

	2022
Warrants	8,869,633
RSUs - outstanding	88,084
RSUs - vested but no ordinary shares issued	29,253
Incentive shares	5,000
Share options	2,128,554

The potential outstanding equity awards under the 2020 Earn-Out arrangement expired June 30, 2022 and none of the required conditions were met.

At December 31, 2021, there were 42,896 outstanding RSUs, 15,000 RSUs that ordinary shares have yet to be issued for and 30,000 outstanding incentive shares (note 8) that could potentially have a dilutive impact on earnings per share in the future. The following anti-dilutive instruments are excluded from the 2021 calculation of diluted weighted average number of ordinary shares outstanding, including the outstanding equity awards of up to 284,250 ordinary shares and 284,250 warrants issuable under the earn-out arrangements, and the 8,869,633 warrants outstanding as of December 31, 2021.

24. Related parties

Under IAS 24 Related Party Disclosures ("IAS 24"), the Group has various related parties stemming from relationships with subsidiaries, joint ventures, key management personnel, the founders of the previous Fusion Fuel Portugal entity and other related parties.

Subsidiaries

A list of the Groups subsidiaries is disclosed in note 25. All transactions with subsidiaries eliminate on consolidation and are not presented, in accordance with revised IAS 24.

Joint ventures

Fusion Fuel Spain, S.L. ("Fusion Fuel Spain") is a joint venture in which the Group has joint control and a 50% ownership interest. Fusion Fuel Spain commenced operations in Q4 2021. During the year ended December 31, 2022, Fusion Fuel Spain drew down €1.27 million of the subordinated loan of €2 million that was committed by the Group during the prior year (Note 11).

Key management personnel

(a) Compensation

The key management personnel at December 31, 2022 are the members of the Group's Executive Committee. There were eight members of the Executive Committee at December 31, 2022 all members were in situ for the for the full year. The remuneration expense for the key management personnel includes salaries and share-based payments.

	2022 €'000	2021 €'000	2020 €'000
Basic salary	1,471	683	135
Short-term employee benefits	498	5	-
Other long-term benefits	80	3	-
Share-based compensation	2,957	183	1,066
	5,006	**874**	**1,201**

(b) Transactions

During 2022, Parent paid certain tax liabilities arising from the vesting of RSUs on behalf of three of its directors; Frederico Figueira de Chaves, João Wahnon and Jaime Silva. The individual liability for each of the three directors amounted to €27,098. All three directors repaid Parent before the end of 2022.

There were no other transactions with key management personnel during the year.

Founders – Negordy Investments, S.A. and MagP Inovação, S.A.

Negordy Investments, S.A ("Negordy") ownership is split across four shareholders, three of which are related parties. Magno Efeito, S.A., Numberbubble, S.A. and Key Family Holdings Investimentos e Consultoria de Gestão, Lda. ("KFH") together own 90% of the ordinary shares of Negordy. Magno Efeito, S.A., an entity jointly controlled by Mr. Jaime Silva and Márcia Vicente, Mr. Silva's wife. Numberbubble, S.A., an entity controlled by Mr. Joao Teixeira Wahnon. KFH is an entity jointly owned and controlled by Mr. Frederico Figueira de Chaves and his brother. All three individuals hold executive management positions within the Group and are Directors of the Parent. The remaining shareholder of Negordy, FalcFive, LDA is not considered to be a related party of the Group. The shareholder agreement stipulates that all decisions requiring board approval must be unanimous and if one shareholder disagrees, the motion cannot be passed. Magno Efeito, S.A., Numberbubble, S.A. and FalcFive, LDA are the founders of Negordy. KFH acquired their ordinary shares in 2018.

Negordy owns 1,593,750 Class A ordinary shares of the company and 1,593,750 warrants to purchase Class A ordinary shares at an exercise price of $11.50. As mentioned in note 18, in December 2022, the Class B Ordinary shares were converted to Class A Ordinary shares. Negordy previously held 1,593,750 Class B ordinary shares of the Company.

On January 1, 2021, the Group entered into a sub-lease agreement with Negordy for space of 4,156 square meters of office, logistical, and industrial activities. Parking plots are also included. The sub-lease has an initial term of five years, with automatic renewal for additional terms of five years until either party notifies the other party of its intention not to renew. Either party can choose to terminate the agreement after 12 months once adequate communication is provided to the other party. The monthly rent determined by the sub-lease is fixed at €0.02 million.

The shareholders and founders of Negordy founded MagP Inovação, S.A. ("MagP"), a company that produces, installs, assembles, operates, and maintains modules, tracking structures and accessories for all equipment relating to CPV solar trackers (collectively, the "Trackers"). MagP is the successor to the business of MagPower, a company also founded by some of the founders of Negordy. Negordy is a 71% shareholder of MagP, and the remaining 29% of MagP is owned by other parties unrelated to Negordy or Fusion Fuel Portugal. The Group produces Green Hydrogen with components built in-house and in partnership with MagP. These components include the Trackers that have been produced by MagP for several years. The Group has entered into several agreements and transactions with MagP regarding the provision of services and supply and assembly of Trackers that will be used in the Groups Hydrogen Generators. These agreements primarily relate to the Trackers provided to our two hydrogen projects at Evora. In addition to the agreements entered for Evora, the Group entered into an agreement with MagP on January 1, 2021 to provide up to 1,100 Trackers across 2021 and 2022. The output from this agreement will be used by the Group in their hydrogen projects or for standalone sales to third parties. The purpose of these agreements was to secure some production capacity of the Group until such time that our production facility at Benavente is operational. See further details of these agreements in note 23.

In 2022, the value of these transactions with MagP was €7.7 million (2021: €7.5 million).

MagP does not hold any interest in Class A ordinary shares and does not hold any warrants to purchase Class A ordinary shares.

Other

Directors and officers of the company have control of more than 10% of the voting shares of the company, however no individual controls more than 10% of the company. We are not aware of any person or shareholder who directly or indirectly, jointly or severally, exercises or could exercise control over the Group.

Directors and Officers hold a total of 1,127,815 issued Class A ordinary shares in the company and 1,361,392 warrants to purchase Class A ordinary shares at an exercise price of $11.50 at year end.
During the prior year, the Company made a payment on behalf of Rune Lundetrae, a board member, amounting to €0.03 million. At December 31, 2022, this amount remained outstanding and was subsequently repaid on March 20, 2023.

25. Commitments and contingencies

In a prior period, a subsidiary of the Group entered into an agreement, with MagP, a related party to deliver equipment, materials and assembling services in relation to the Groups other ongoing production facilities. At the beginning of 2023, the parties agreed to remove the yearly minimum commitment and provide the quantities to be produced on a quarterly basis.

The costs paid by the Group on behalf of Fusion Fuel Spain have been treated as an advancement of this loan for accounting purposes. A further commitment of €0.8 million remains at December 31, 2022.

The Company has provided payment guarantees of €0.1 million to Corum as part of the sale-and-leaseback transaction entered in December 2022. This guarantee is in place for the full lease term.

26. Subsequent events

There have been no significant events since the statement of financial position date that would require disclosure or amendment to these consolidated financial statements.

27. Group companies

Entity name	Country of incorporation	Principal activities	Group interest at December 31, 2022
Fusion Fuel Portugal, S.A.	Portugal	Operating company	100%
Fuel Cell Évora, Unipessoal LDA	Portugal	Hydrogen production	100%
Fuel Cell Évora I, Unipessoal LDA	Portugal	Hydrogen production	100%
Fusion Fuel USA, Inc.	United States	Operating company	100%
Fusion Fuel Spain, S.L.	Spain	Hydrogen production	50%
Fusion Fuel Australia, PTY Ltd	Australia	Hydrogen production	100%
Fusion Fuel Australia – Pilot PTY Ltd	Australia	Hydrogen production	100%
Hevo Sines, Unipessoal LDA	Portugal	Hydrogen production	100%
Hevo Sines II, Unipessoal LDA	Portugal	Hydrogen production	100%
Hevo Sines III, Unipessoal LDA	Portugal	Hydrogen production	100%
Hevo Portugal, Unipessoal, Lda.	Portugal	Hydrogen production	100%
Fusion Cell Spain, S.L. (1)	Spain	No activity to date	N/A

(1) Incorporated on March 16, 2023

28. Approval of financial statements

The directors approved the financial statements on May 15, 2023.

Exhibit 4.4

DESCRIPTION OF SECURITIES

The following description of the material terms of the share capital of Parent includes a summary of specified provisions of Parent's M&A. This description is qualified by reference to Parent's M&A filed as an exhibit to this Annual Report and incorporated herein by reference.

General

Parent is a public limited company organized and existing under the laws of Ireland. Parent was formed on April 3, 2020 as a private limited company under the name Dolya Holdco 3 Limited, incorporated in Ireland. On July 14, 2020, Parent effected a change of name to Fusion Fuel Green Limited. On October 2, 2020, Parent converted into a public limited company incorporated in Ireland under the name "Fusion Fuel Green PLC". Parent's affairs are governed by Parent's M&A, the Irish Companies Act, and the corporate law of Ireland.

Ordinary Shares

General. The authorized share capital of Parent is US$11,212.50 divided into 100,000,000 Class A Ordinary Shares with a nominal value of US$0.0001 each, 2,125,000 Class B Ordinary Shares with a nominal value of US$0.0001 each and 10,000,000 preferred shares with a nominal value of US$0.0001 each and €25,000 divided into 25,000 deferred ordinary shares with a nominal value of €1.00 each.

Dividends. The holders of Parent Ordinary Shares are entitled to such dividends as may be declared by Parent's board of directors. Dividends may be declared and paid out of the funds legally available therefor. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Irish Companies Act.

Voting Rights. Each Class A Ordinary Share and each Class B Ordinary Share shall be entitled to one (1) vote on all matters subject to the vote at general meetings of Parent. Voting at any meeting of shareholders is by way of a poll, which shall be taken in such manner as the chairperson of the meeting directs.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the Parent Ordinary Shares cast at a meeting, while a special resolution requires the affirmative vote of no less than 75% of the votes cast attaching to the outstanding ordinary shares at a meeting. Where the shareholders wish to act by way of written resolution in lieu of holding a meeting, unanimous consent of the holders of the Class A Ordinary Shares and Class B Ordinary Shares (assuming any Class B Ordinary Shares are outstanding at such time) shall be required. A special resolution will be required for important matters such as a change of name, reducing the share capital or making changes to Parent's M&A.

Transfer of Ordinary Shares. Subject to the restrictions contained in the Amended Stock Escrow Agreement, and as otherwise set forth in the Business Combination Agreement, and the lock-up restrictions contained in the Business Combination Agreement with respect to the Parent securities issued to the former Fusion Fuel Shareholders in the Share Exchange and the lock-up restrictions applicable to shares issued to directors as part of their compensation, and subject to any further restrictions contained in Parent's M&A and the Irish Companies Act, any Parent shareholder may transfer all or any of his or her Parent Ordinary Shares by an instrument of transfer in the usual or common form or any other form approved by Parent's board of directors.

Liquidation. On a return of capital on winding-up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of Parent Ordinary Shares shall be distributed among the holders thereof on a pro rata basis. If Parent's assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by Parent's shareholders proportionately.

General Meetings of Shareholders. Shareholders' meetings may be convened by the board of directors, by the board of directors on the requisition of the shareholders or, if the board of directors fails to so convene a meeting, such extraordinary general meeting may be convened by the requisitioning shareholders where the requisitioning shareholders hold not less than 10% of the paid up share capital of Parent. Any action required or permitted to be taken at any annual or extraordinary general meetings may be taken only upon the vote of the shareholders at an annual or extraordinary general meeting duly noticed and convened in accordance with Parent's M&A and the Irish Companies Act. Unanimous consent of the holders of the Class A Ordinary Shares and the Class B Ordinary Shares (assuming any Class B Ordinary Shares are outstanding at such time) shall be required before the shareholders may act by way of written resolution without a meeting.

Warrants

General. Warrants that were automatically adjusted pursuant to the terms of the Old HL Warrants issued to certain former shareholders of HL in private placements prior to HL's initial public offering, Warrants that were automatically adjusted pursuant to the terms of the Old HL Warrants issued to the former convertible noteholders of HL upon conversion of such notes in connection with the Merger, and Warrants issued to the former Fusion Fuel Shareholders in the Share Exchange, in each case until transferred to a third party, (i) will not be redeemable by Parent, (ii) may be exercised for cash or on a cashless basis at the holder's option as long as such warrants are held by the initial holders or their affiliates or permitted transferees, and (iii) are subject to a lockup for a period of 12 months from the closing of the Transactions.

Exercisability. Each Warrant entitles the registered holder to purchase one Class A Ordinary Share.

Exercise Price. $11.50 per share, subject to adjustment.

The exercise price and number of Class A Ordinary Shares issuable on exercise of the Warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, the Warrants will not be adjusted for issuances of Class A Ordinary Shares at a price below the Warrant exercise price.

Exercise Period. The Warrants are exercisable at any time and from time to time until 5:00 p.m., New York City time on December 10, 2025, or earlier upon their redemption.

No Warrants will be exercisable for cash unless Parent has an effective and current registration statement covering the Class A Ordinary Shares issuable upon exercise of the Warrants and a current prospectus relating to such Class A Ordinary Shares. Notwithstanding the foregoing, in certain circumstances described in more detail in the Amended and Restated Warrant Agreement, Warrant holders may exercise Warrants on a cashless basis pursuant to the exemption provided by Section 3(a)(9) of the Securities Act, provided that such exemption is available. If that exemption, or another exemption, is not available, holders will not be able to exercise their Warrants on a cashless basis. In such event, each holder would pay the exercise price by surrendering the warrants for that number of Class A Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Class A Ordinary Shares underlying the Warrants, multiplied by the difference between the exercise price of the Warrants and the "fair market value" (defined below) by (y) the fair market value. The "fair market value" for this purpose will mean the average reported last sale price of the Class A Ordinary Shares for the five (5) trading days ending on the trading day prior to the date of exercise.

Parent has agreed to use its best efforts to file and have an effective registration statement covering the Class A Ordinary Shares issuable upon exercise of the Warrants, to maintain a current prospectus relating to those Class A Ordinary Shares until the earlier of the date the Warrants expire or are redeemed and the date on which all of the Warrants have been exercised, and to qualify the resale of such shares under state blue sky laws, to the extent an exemption is not available. However, there is no assurance that Parent will be able to do so and, if Parent does not maintain a current prospectus relating to the Class A Ordinary Shares issuable upon exercise of the Warrants, holders will be unable to exercise their Warrants for cash and Parent will not be required to net cash settle or cash settle the Warrant exercise.

Redemption of Warrants. Parent may call the Warrants for redemption (excluding (i) certain Old HL Warrants issued to the former shareholders of HL in private placements prior to HL's initial public offering which were automatically adjusted into Warrants pursuant to the terms of the Old HL Warrants, (ii) certain Old HL Warrants issued to the former convertible noteholders of HL upon conversion of such notes in connection with the Merger and which were subsequently automatically adjusted into Warrants pursuant to the terms of the Old HL Warrants, and (iii) certain Warrants issued to the former Fusion Fuel Shareholders in the Share Exchange, in each case, so long as such Warrants are held by such persons or their affiliates and certain permitted transferees), in whole and not in part, at a price of $0.01 per Warrant:

- at any time after the Warrants become exercisable,
- upon not less than 30 days' prior written notice of redemption to each Warrant holder,
- if, and only if, the reported last sale price of the Class A Ordinary Shares equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations), for any 20 trading days within a 30 trading day period ending on the third business day prior to the notice of redemption to warrant holders; and
- if, and only if, there is a current registration statement in effect with respect to the Class A Ordinary Shares underlying such Warrants.

The right to exercise will be forfeited unless the Warrants are exercised prior to the date specified in the notice of redemption. On and after the redemption date, a record holder of a Warrant will have no further rights except to receive the redemption price for such holder's Warrant upon surrender of such Warrant.

The redemption criteria for the Warrants have been established at a price which is intended to provide warrant holders a reasonable premium to the initial exercise price and provide a sufficient differential between the then-prevailing share price and the Warrant exercise price so that if the share price declines as a result of the redemption call, the redemption will not cause the share price to drop below the exercise price of the Warrants.

If Parent calls the Warrants for redemption as described above, Parent's management will have the option to require all holders that wish to exercise warrants to do so on a "cashless basis." In such event, each holder would pay the exercise price by surrendering the Warrants for that number of Class A Ordinary Shares equal to the quotient obtained by dividing (x) the product of the number of Class A Ordinary Shares underlying the Warrants, multiplied by the difference between the exercise price of the Warrants and the "fair market value" (defined below) by (y) the fair market value. The "fair market value" shall mean the average reported last sale price of the Class A Ordinary Shares for the five (5) trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of Warrants.

Registered Form. The Warrants will be held in registered form under the Amended and Restated Warrant Agreement between Continental Stock Transfer & Trust Company, as warrant agent, and Parent. The Amended and Restated Warrant Agreement provides that the terms of the Warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval, by written consent or vote, of the holders of at least a majority of the then outstanding Warrants in order to make any change that adversely affects the interests of the registered holders.

Manner of Exercise. The Warrants may be exercised upon surrender of the holder's Warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the Warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price, by certified or official bank check payable to Parent, for the number of Warrants being exercised.

Warrant holders may elect to be subject to a restriction on the exercise of their Warrants such that an electing warrant holder would not be able to exercise its Warrants to the extent that, after giving effect to such exercise, such holder would beneficially own in excess of 9.8% of the Class A Ordinary Shares outstanding.

No Rights as a Shareholder. The warrant holders do not have the rights or privileges of holders of Class A Ordinary Shares and any voting rights until they exercise their Warrants and receive Class A Ordinary Shares. After the issuance of Class A Ordinary Shares upon exercise of the Warrants, each holder will be entitled to one vote for each Class A Ordinary Share held of record on all matters to be voted on by holders of Class A Ordinary Shares.

No Fractional Shares. No fractional shares will be issued upon exercise of the Warrants. If, upon exercise of the Warrants, a holder would be entitled to receive a fractional interest in a share, Parent will, upon exercise, round up to the nearest whole number the number of Class A Ordinary Shares to be issued to the warrant holder.

Transfer Agent and Registrar

Parent's transfer agent and warrant agent is Continental Stock Transfer & Trust Company. Parent's registrar is Link Group.

Listing

The Class A Ordinary Shares and Warrants are listed on the Nasdaq Global Market under the symbols "HTOO" and "HTOOW", respectively.

Exhibit 10.17

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SHAREHOLDERS' AGREEMENT

FUSION FUEL SPAIN, S.L.

22 July 2021

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FUSION FUEL SPAIN

SHAREHOLDERS' AGREEMENT

By and Between:

GREATREX FAMILY ENTERPRISES, LDA, a company duly incorporated under the laws of Portugal, registered with the Registry Office under the number 509479359, with registered address at Rua Latino Coelho, 87, 1050-134 Lisboa, Portugal, herein represented by Grant Greatrex, as sole director (hereinafter referred to as" **GFE**").

EREE DESARROLLOS EMPRESARIALES, S.L., a Spanish entity, with registered office at Calle Valle del Tormes 2, Local 44, 28660 Boadilla del Monte, Madrid, having tax identification number B88497938, herein represented by Mr. Javier Esteban, as sole director (hereinafter referred to as "**EREE**").

Hereinafter jointly referred to as the "**Syndicated Shareholders**".

FUSION FUEL GREEN PUBLIC LIMITED COMPANY, a company incorporated under the laws or Ireland, having its registered address at 10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland, registered with the Companies Registration Office of Ireland under No. 669283, herein represented by Frederico Eduardo Perez Marques Figueira De Chaves (hereinafter referred to as "**FF**").

Hereinafter jointly referred to as the "**Shareholders**".

FUSION FUEL PORTUGAL, S.A., a company incorporated under the laws of Portugal, having its registered address at Rua da Fábrica, s/n, Sabugo, 2715 376 Almargem do Bispo, Portugal , registered with the Commercial Registry under No. 514909439, herein represented by Messrs. João Lopes Teixeira Wahnon and Frederico Eduardo Perez Marques Figueira De Chaves (hereinafter referred to as "**FFP**").

The Shareholders and FFP shall be jointly referred to as the "**Parties**".

Mr. Javier Esteban, of legal age, single, of Spanish nationality, with domicile for these purposes in calle General Oraá 42, 3°A, 28006 Madrid, with Spanish

Identification Number 06583056-L, who enters into this Agreement to make the undertaking in clause 5.3(c).

Mr. Ignacio Esteve, of legal age, married, of Spanish nationality, with domicile for these purposes in 28223 Pozuelo de Alarcón, (Madrid), Avenida Montepríncipe, 11, with Spanish Identification Number 46341581-P, who enters into this Agreement to make the undertaking in clause 5.3(c).

Mr. Grant Greatrex, of legal age, married, of British nationality, with domicile for these purposes in Rua Latino Coelho, 87, 1050-134 Lisboa (Portugal), with British Passport 548095382, who enters into this Agreement to make the undertaking in clause 5.3(c).

And of the other part,

FUSION FUEL SPAIN, S.L., a Spanish company, with registered office at calle Monte Esquinza 30, bajo izquierda, Madrid, herein represented by Messrs. Frederico Eduardo Perez Marques Figueira De Chaves and Javier Esteban, as joint directors (hereinafter referred to as "**FFS**" or the "**Company**").

The Company appears for the purpose of awareness of the rights and obligations set forth in this Agreement.

Whereas:

A. On 30 September 2020, the Parties entered into a MOU ("**Business Cooperation Agreement - Heads of Terms**", attached hereto as **Schedule A**) under which the Parties declared their interest in working collaboratively with FF to source, promote and develop projects in the green hydrogen sector using FFP's Solar Green Hydrogen Technology, and agreed to concentrate their efforts in a joint venture to develop green hydrogen projects (production, commercialization and sale of Technology, including the development of own projects for generation and for sale of developed projects to third parties) in Spain; and eventually raising funds to support the ownership of projects to sell hydrogen to large industrial consumers, natural gas suppliers, renewable energy IPPs/Developers for storage and other consumers of green energy (the "**Business**"). Additionally, the Parties may also promote green hydrogen projects in other jurisdictions to pre-approved clients introduced by the Syndicated Block, using FF Technology.

B. FFP is a wholly owned affiliate of FF, a specialized energy-related hydrogen Technology engaged in activities related to the development and research of technologies for the production of thermochemical fuels and their storage systems, as well as their production, industrialization and trading, and the transfer, sale, leasing and licensing of technology, processes and products related to hydrogen technology.

C. EREE, GFE, and its shareholders have the know-how and a strong record of accomplishment in developing renewable energy projects in Spain, having a strong network of contacts with potential investors in the green hydrogen sector in Spain and abroad.

D. On the date hereof, prior to the execution of this Agreement but as a single act ("*unidad de acto*") with the signature of this Agreement, the Shareholders incorporated the Company to develop the Business (whose By-laws are attached to this Agreement as **Schedule B**) under Spanish law with the corporate name "FUSION FUEL SPAIN, S.L.", with registered office at calle Monte Esquinza 30, bajo izquierda, Madrid, with a share capital of € 3,000, which is held according to the following breakdown:

   a) 16% by GFE, number 1 to 510, both included;

   b) 33% by EREE, number 511 to 1.500, both included; and

   c) 50% by FF, number 1.501 to 3.000, both included.

E. According to the above, the Parties wish to rule the terms and conditions they shall observe in their relationship as shareholders of FFS, the operation, management and corporate governance of the Company and their reciprocal exit rights as well as other commercial agreements necessary to develop the principles of their mutual collaboration for the development of the Business.

Therefore, the Parties mutually accept this Shareholders' Agreement (the "**Agreement**"), which shall be governed by the recitals above and the following clauses:

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1. Definitions

For the purposes of this Agreement, the terms set out in **Schedule C** have the meaning described in this schedule.

2. Preliminary Provisions and Purpose. Contributions by the Parties

2.1 The Parties hereby acknowledge and declare that their common purpose is to ensure the expansion of the Company and the Business in the Spanish territory, as well as to promote projects to international clients introduced by the Syndicated Shareholders. The Parties' aim is to encourage the professional, efficient, coordinated and concerted management of the Company, with the purpose of increasing the value of the Company and of their contributions to the same. The Shareholders agree that the Company will also be engaged in the sourcing, promotion and development of projects in the green hydrogen sector using FFP's Solar Green Hydrogen Technology and any other technologies and solutions developed by FF Group companies, carrying out the negotiation of agreements to be entered into between clients and FF Group companies, under the terms and conditions provided for in this Agreement and for the remuneration agreed upon between the Parties, as well as providing project management and operation and maintenance services both to the SPVs and its clients.

2.2 The Shareholders mutually agree to cooperate in good faith, ensuring at all times respect and compliance with the purpose and the provisions of this Agreement and Schedules attached thereto.

2.3 If one or more of the provisions of this Agreement that grant rights for one of the Parties cannot be implemented for some reason (as a whole or in part), the other Parties shall take all actions required in order to ensure that the purpose and the effects of the mentioned provisions can be achieved.

2.4 In addition to the above, the purpose of this Agreement is to regulate: (i) the operation, management and structural organization of the Company and the Business; and (ii) the terms and conditions for the relationship between the Shareholders, and between the Shareholders and the Company.

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2.5 The Shareholders agree to exercise their rights as shareholders in the Company, if any, in a way that ensures the full performance and execution of the Agreement.

2.6 The Parties are independent parties. Neither Party is entitled or authorized to act on behalf of the other Party, or to obligate it in any way, except in the cases and under the conditions established in the Agreement. Particularly, the Company undertakes to act vis-à-vis third parties as a legal entity independent of the Shareholders, avoiding creating any confusion between its assets and responsibilities.

2.7 The Parties agree that this Agreement and the development of the Business assumes their collaboration. To this extent, each of the Parties undertakes the following obligations:

(a) The Syndicated Shareholders undertake, directly and through their directors, service providers, as well as the persons appointed by them under this Agreement, such as, among others, the directors of the Company, and the Service Providers, to use their best efforts to promote the development of the Business, by gathering clients interested in developing the FFS Projects and generating business opportunities for the Company, the special purpose vehicles incorporated by the Company, and the Company's shareholders, in accordance with this Agreement. The Syndicated Shareholders shall use their best efforts to comply and contribute to the fulfilment of the objectives defined in the Business Plan, as approved and agreed by the Parties from time to time. For the avoidance of doubt, this undertaking does not involve an obligation to achieve results.

(b) FF undertakes, directly and through its affiliated companies, namely FFP, to contribute its know-how in the development of green hydrogen projects, as well as to cause its group companies to provide services within the FFS Projects that may be sourced and developed by the Company, through the provision of the Technology at arm's length to the special purpose vehicles incorporated by the Company or directly to its clients, in accordance with and subject to the fulfilment of the requirements detailed in this

Agreement, namely AML/KYC compliance and operational availability of FF, as the case may be.

3. **Share Capital of the Company and funding of activities. Financing by FF**

3.1 *Share capital of the Company:*

(a) On the date of this Agreement, the Company's share capital amounts to € 3,000 and is divided up in to 3,000 shares (*participaciones*), numbered from 1 to 3.000 both inclusive, integrated into the same class and series, each Share having a par value of 1 Euro.

(b) The Parties have subscribed and paid-up the shares in the Company in the following manner to create the following shareholding structure:

Shareholder	No. of Shares and Numbering	Shareholding (%)	Contribution
GFE	1 to 510	17	€ 510
EREE	511 to 1.500	33	€ 990
FF	1.501 to 3.000	50	€ 1,500

3.2 *Funding of Business Plan:*

(a) Financing by FF:

FF undertakes to provide an intra-group participating loan (*préstamo participativo")* to finance the growth and working capital needs of the Company during the five (5) initial years of the Company according to the Business Plan and the draft of participating loan attached hereto as **Schedule L**, up to a maximum credit amount of EUR 2,000,000 (two million euros) (the "**Maximum Credit Amount**") (the "**Participating Loan**"):

(b) *Terms and conditions of the Participating Loan*:

(i) The purpose of the Participating Loan is to comply with the Business Plan and to finance the growth of the Company and the needs of

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working capital, in line with the criteria stipulated in the Business Plan.

(ii) The maturity date of the Participating Loan will be 5 (five) years since the signing of this Agreement (the "**Maturity Date**").

(iii) The Company may request utilisations of the Participating Loan up to the Maximum Credit Amount, in accordance with its growth and working capital needs at each moment, in line with the criteria stipulated in the Business Plan, from the date of signature of this Agreement, until the Maturity Date (the "**Utilisation Period**"). The request for utilisations of the Participating Loan submitted by the Company to FF must state the date of the utilisation (which shall not be earlier than the third Business Day following the Utilisation Request), the total amount of the utilisation intended to be performed, and its destination (the "**Utilisation Request**") and shall include certain representations and warranties from the Company. In no event, the Maximum Credit Amount shall be exceeded.

(iv) Upon receipt by FF of Utilisation Request, it shall be binding on FF, being obliged to make available the requested amount on the date and other conditions indicated.

(v) Under the Participating Loan, the Company will pay FF:

(a) as fixed interest, a fixed interest rate of 4% on the withdrawn amount, calculated on an annual basis of 365 days; and

(b) as an additional variable interest, an amount equal to 2% on the withdrawn amount, if the Company's EBITDA is higher than 3,000,000 €, for each financial year closed until Maturity Date.

(vi) Non-withdrawn amounts under the Participating Loan at the end of the Utilisation Period shall be cancelled, in which case the Participating Loan shall be deemed to have been granted for the amount actually withdrawn for all legal purposes.

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(vii) FF will transfer the amounts indicated in the relevant Utilisation Request to the bank account indicated by the Company.

(viii) The Participating Loan shall be payable subject to the existence of distributable free cash flow in the Company. Accordingly, the Shareholders agree that once the Company has distributable free cash flows, these will be allocated to the repayment of the Participating Loan, with priority over any dividend distribution or other shareholder distributions or investments.

(ix) At the end of the Utilisation Period, in the event that there were any withdrawn amounts pending of repayment by the Company, the withdrawn amounts utilised under the relevant Utilisation Request will be fully consolidated and considered as only one utilisation. Any amount due under the Participating Loan (including but not limited to any accrued interest) shall be payable within the following 5 Business Days as from the Maturity Date. If so requested by the Syndicated Shareholders, FF agrees to grant the Company a grace period of one (1) year from the Maturity Date for the Company to pay any and all amounts due under the Participating Loan. For the avoidance of doubt, in the event FF has granted such grace period, amounts due under the Participating Loan shall be payable within the following 5 Business Days as from the end of the grace period.

(x) There will be no recourse or guarantee by the Shareholders, nor any in rem guarantees shall be granted by the Company, in relation to the potential non-payment of the Participating Loan by the Company.

(xi) If the Company ceases to be a direct or indirect subsidiary of FF, FF may, by notice, declare the Participating Loan immediately terminated, whereupon any and all of FF's obligations under the Participating Loan shall be immediately terminated and all amounts outstanding under the Participating Loan provided for in this Agreement shall become immediately due and payable together with accrued interest thereon.

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(xii) If at the Maturity Date (or grace period, if applicable) the Company has no sufficient distributable free cash flows to repay all amounts due under the Participating Loan, FF will be entitled to convert the amounts due under the Participating Loan (including but not limited to any accrued interest) into share capital, with the corresponding dilution of the other shareholders, and to appoint additional members of the Board of Directors, mirroring the new proportion in the shareholdings of the Company. The Syndicated Block shall vote in favour of the resolutions necessary to implement the share capital increase and appointment of the additional member(s) of the Board of Directors and shall obtain the resignation of the number of members of the Board appointed at their proposal as necessary to implement this clause.

(xiii) The Shareholders undertake to cause the Company, once it has a positive financial performance, to seek external funding in order to finance the Business and repay the amounts used under the Participating Loan.

(c) *Additional financing contributions to the Company:*

(i) In addition to the Participating Loan provided by FF to the Company, the Shareholders will procure that the funds the Company needs to carry out the Business and the actions called for in the Business Plan are obtained directly through resources generated by the Company.

(ii) In the event that the Company lacks the necessary funds to carry out the actions called for in the Business Plan and if the Company does not generate the necessary resources, the Shareholders agree to meet the financial needs of the Company by seeking outside financing, by either: (i) applying for or requesting any subsidies available, whether community or national, public of private; or (ii) negotiating financing with local banks.

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(d) *Company capitalization due to difficult economic situation:*

In the event that the Company is in a legal cause of dissolution, even after considering the Participating Loan as equity in accordance with the law, and due to this it is legally necessary for the Shareholders to provide capitalization to the Company, FF will be entitled to convert the amounts borrowed to the Company under the Participating Loan into share capital.

4. By-laws

4.1 The Company will be governed under the By-laws, the text of which is attached as **Schedule B** (the "**By-laws**"). The By-laws will be interpreted at all times in accordance with the provisions of this Agreement.

4.2 The Parties understand that, among other reasons, given the application of Royal Decree number 1/2010, 2 July, approving the Spanish Companies Act (the "**Spanish Companies Act**") and the registration criteria of the Commercial Registry, some of the clauses in the By-laws may not be admissible for registration.

4.3 Nevertheless, the Parties agree that the content of this Agreement (including the By-laws) will prevail for the Shareholders and the Parties, and between the Shareholders, the Parties, and the Company as a shareholders' agreement, including where necessary, to register any By-laws clause only partially or to amend any By-laws clause for registration.

4.5 If this Agreement is amended in whole or in part, the Shareholders will amend the By-laws and have them filed with the Commercial Registry so that they reflect the provisions of this Agreement at all times to the extent that it is legally possible to do so. Likewise, if, at any given time, the legal or registry criteria that may have prevented the registration of any clause of the By-laws are amended, the Shareholders agree to amend the registered By-laws so that they correspond to the provisions of the Agreement.

5. Organization, management and functioning.

5.1 The Parties hereby agree that the following rules regarding the organization, management and functioning of the Company shall apply:

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5.2 *Board of Directors*:

(a) The board of directors shall be composed of 6 (six) members.

(b) FF shall have the right to appoint 3 (three) directors, GFE shall have the right to appoint 1 (one) director, and EREE shall have the right to appoint 2 (two) directors.

(c) At the general shareholders meeting to be held today when executing this Agreement or as soon as possible, but not after the execution of the public deed ("*elevación a publico*"), the Shareholders will resolve to appoint the following directors:

(i) Appointed at the proposal of FF: João Lopes Teixeira Wahnon, Frederico Eduardo Perez Marques Figueira De Chaves, and Jaime Domingos Ferreira Silva.

(ii) Appointed at the proposal of GFE: Grant Greatrex.

(iii) Appointed at the proposal of EREE: Javier Esteban and Ignacio Esteve.

(d) The board of directors shall meet at least bimonthly, or with any other periodicity as agreed between the Parties.

(e) Minutes shall be drawn up for all formal meetings of the board of directors, containing the matters discussed and all decisions taken.

(f) The board of directors and the management team will direct the Company's activities in the Company's interest, in accordance with the criteria set out in the Business Plan.

(g) All transactions carried out between the Company and its Related Parties will be performed under market conditions. Consequently, Related Parties will not receive treatment more favourable than that granted to any independent third party under materially equivalent circumstances.

(h) Each director may only be dismissed from office if decided by the Shareholder (in case of FF) that proposed that director's appointment. Shareholders will be entitled, whenever they consider it appropriate, to

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cause the dismissal of any of the directors appointed at their proposal and their replacement by any other director. In the event a director resigns or is dismissed for any other reason, either FF, EREE or GFE, will be entitled to fill the vacancy, depending on who proposed that director's appointment.

(i) In the event of termination of duties by any director, whether by resignation, impossibility, dismissal or any other cause, either FF or the Syndicated Shareholders, depending on who had appointed such member under the terms of this Agreement, shall appoint a substitute, undertaking both of them to vote in favour of such substitution.

(j) The chairman of the board of directors will be appointed and dismissed at the proposal of FF.

(k) The office of the secretary of the board of directors will be appointed and dismissed at the proposal of the Syndicated Shareholders.

(l) Following the general shareholders meeting provided for in provision 5.2 (c), the board of directors will meet to appoint Mr. Frederico Eduardo Perez Marques Figueira De Chaves to the office of chairman of the board and Mr. Grant Greatrex to the office of secretary of the board of directors.

(m) The directors' position will be unpaid, except for the board member or board members that are assigned executive functions as Joint Managing Directors (as this term is defined below). The Joint Managing Directors' remuneration will consist of one or more of the following components, as specified in each Joint Managing Director's contract pursuant to article 249 of the Spanish Companies Act and this Agreement:

   (a) Fixed amount in cash.

   (b) A variable remuneration to be assessed based on the degree of fulfilment of the objectives agreed by the board at the beginning of each financial year from the bonus pool composed of a maximum share of 10% of the Company's profit, subject to the requirements established under the legislation in force at any time.

(n) The general shareholders meeting must approve the maximum amount of annual remuneration for all Joint Managing Directors, and this amount will remain in force until it approves any changes. Unless the general shareholders meeting determines otherwise, the board of directors (without the vote of the relevant Joint Managing Director) will decide how to distribute this remuneration among the Joint Managing Directors. The board of directors will make this decision based on the contractual duties and responsibilities assigned to each Managing Director and, particularly, the obligations the company has taken on under the agreements entered into with the Joint Managing Directors.

(o) The directors' have the right to get reimbursement for ordinary and reasonable expenses such as travel, private car usage and commercial expenses incurred in the exercise of their post.

(p) General shareholders meetings will be convened:

(i) at any moment by the chairman; or

(ii) by the Syndicated Shareholders or by any two directors.

(q) The board of directors shall meet, at least, quarterly and its meetings will be scheduled for reasonable times, at the Company's registered office, or in any other place agreed unanimously by the directors, including the possibility of the meetings being held by telematics means.

5.3 *Joint Managing Directors and Power of Attorney:*

(a) The Board of Directors will appoint two (2) joint managing directors, being one of them one of the directors appointed at the proposal of FF, and the other one, one of the directors appointed at the proposal of the Syndicated Shareholders ("**Joint Managing Directors**"). The Joint Managing Directors will be vested with all powers to the extent permitted by law and the by-laws, and will act on behalf of the Company with their joint signature within the ordinary course of business, outside of which will require the prior consent of the board of directors.

(b) Notwithstanding the above, the board of directors shall entrust representative functions to Mr. Javier Esteban, or to either of Mr. Ignacio Esteve or to Mr. Grant Greatrex, as appointed by the Syndicated Shareholders to replace him, who shall be given a power of attorney to act on the Company's behalf regarding ordinary-course administrative and daily actions with the limitation of such acts representing liabilities to the Company of up to EUR 10,000 and excluding the entering into or cancellation of any client contracts, financial agreements, employment agreements, lease agreements. In accordance with paragraph (a) above, Mr. Javier Esteban will be appointed as the first Joint Managing Director at the proposal of the Syndicated Shareholders. If Mr. Javier Esteban resigns or is dismissed for any reason, the board of directors will appoint either Mr. Ignacio Esteve or Mr. Grant Greatrex to replace him as new Joint Managing Director, in accordance with the provisions set forth in this Agreement. Mr. Javier Esteban may resign from his position as Joint Managing Director at any given time and, from that moment on, will become a Servicer Provider of the Company, rendering services to the Company and maintaining the same remuneration received for his position as Joint Managing Director, provided that either of Mr. Ignacio Esteve or to Mr. Grant Greatrex is appointed by the Syndicated Shareholders to replace him as Joint Managing Director, keeping the same remuneration perceived as Service Provider. The Parties undertake to cause the Company to formalise the corresponding services agreement in writing within a maximum period of fifteen (15) days from his resignation as Joint Managing Director.

(c) Each of Mr. Javier Esteban, Mr. Ignacio Esteve and Mr. Grant Greatrex shall render services as Joint Managing Director, for a period of at least three (3) years starting from the date this Agreement ("**Permanence Period**"), so that at least one of them will render services to the Company as a Joint Managing Director. Therefore, if for any reason any of Mr. Javier Esteban, Mr. Ignacio Esteve or Mr. Grant Greatrex, who has been appointed as Joint Managing Director, ceases, resigns, is dismissed or

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considered definitely absent during the Permanence Period, his office shall immediately be assumed by one of the others on the same terms.

If any of Mr. Javier Esteban, Mr. Ignacio Esteve or Mr. Grant Greatrex ceases, resigns, is dismissed or considered definitely absent during the Permanence Period without being replaced, this will be deemed as a Material Breach under clause 18.4 and FF will have the right to purchase all of the Syndicated Shareholders' shares, free and clear of any Charges or Encumbrances, who shall have the obligation to sell them, for the price and in the conditions detailed thereunder. For the avoidance of any doubt, this paragraph will not apply if Mr. Javier Esteban, Mr. Ignacio Esteve and Mr. Grant Greatrex cease their services, resign or are dismissed as directors of the Company or Joint Managing Directors for any of the following causes which are deemed to be a good leaver cause: (i) death, (ii) retirement, (iii) full or partial permanent disability, absolute disability or serious permanent incapacity, (iv) need for care for close relatives due to serious disease, (v) serious breach by the Company of its obligations towards any of them, (vi) at FF's sole discretion, and (vii) if they are stripped of their powers or their powers are amended in such a way that they cannot perform their duties as Joint Managing Directors.

(d) The Company shall enter into an executive director agreement for Mr. Javier Esteban to regulate his post as Joint Managing Director, substantially on the terms specified in **Schedule E**, which shall detail its remuneration including a fixed and variable remuneration, market-based health insurance and other customary benefits.

5.4 *Services Providers*:

(a) In order to comply with the provisions of the Business Plan and the purpose of the Company, the Parties agree that it is necessary to enter into agreements with certain Services Providers for the areas of business development and corporate finance (the "**Services Providers**").

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(b) In this respect, the Parties agree to hire Mr. Ignacio Esteve as a Servicer Provider, for the area of business development, at the remuneration agreed between the Parties.

(c) Equally, the Parties agree to hire Mr. Grant Greatrex as a Servicer Provider, for the area of corporate finance and relationship with institutional investors, at the remuneration agreed between the Parties.

(d) Within a maximum period of fifteen (15) days as of today, the Parties undertake to cause the Company to formalize the relevant services agreements with the Services Providers that will regulate their relationship with the Company and shall include fixed and variable remuneration, market-based health insurance and other customary benefits, on the basis of the terms and conditions set out in **Schedule F** and **Schedule K**.

5.5 *General Shareholders Meeting*:

(a) The Company shall be governed by the general shareholders meeting as set out in the By-laws, subject to the provisions set out in this Agreement, which shall prevail over the By-laws.

(b) The chairman and the secretary of the general shareholders meeting will be those who hold the positions of chairman and secretary of the board of directors at any given time.

(c) The general shareholders meeting can only validly deliberate on first or second call and regardless of the agenda provided that the shareholders holding 75% or more of the share capital are present or duly represented. Moreover, in order to adopt resolutions, the general shareholders meeting will need the positive vote of 75% of the voting rights in which the share capital of the Company is divided at any given time.

(d) The Shareholders undertake to exercise their voting rights in the general shareholders meeting with the purpose of complying with the provisions of this clause, including the provisions regarding the appointment or dismissal of the directors.

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(e) Supervision and liability:

(i) The supervision of the Company's accounts shall be made by an independent tier one auditing firm, which will always have to be an internationally respected audit firm, whose fees must always be maintained at fair market value.

(ii) FF will make its best efforts to ensure that FFS's directors are covered by the directors and officers (D&O) insurance policy of the FF Group and, if this is not achieved, the Company shall enter into a commercial general liability insurance and a directors and officers' insurance contract with liability levels aligned with those afforded other directors and officers of FFS, which amount of cover shall be approved by the board of directors of FFS. In the event that the aforementioned policy is not approved by the board of directors, each Shareholder will keep the directors appointed at their proposal harmless from any claims arising from their performance as directors of FFS, except in cases of wilful misconduct, gross negligence or crime.

6. Syndication

6.1 Insofar as the Syndicated Shareholders remain shareholders in the Company, they both expressly and irrevocably syndicate in favour of a representative mutually agreed upon by them (the "**Representative**"), the exercise of the voting rights inherent in the shares that they hold at any given time in the Company pursuant to this Agreement (the "**Syndicated Shares**").

6.2 Consequently, the Syndicated Shareholders shall delegate to the Representative their rights to attend and vote at any general shareholders meetings held at the Company to the fullest extent permitted by law. The Representative shall cast the vote of the Syndicated Shareholders in the same direction, so that they shall vote for or against a certain proposal or abstain, including expressly those relating to the appointment of directors, as the Representative will forward the decisions previously agreed by them. Syndicated Shareholders will have agreed on their vote prior to the exercise of the corresponding voting rights. In this

respect, the Representative shall not assume any joint and several liability towards the other Parties neither towards the rest of the Shareholders. For the purposes of liability towards the Parties, it shall be joint and individual.

6.3 To this end, and on the basis of the provisions above, the Syndicated Shareholders undertake to act in such a way as to fully comply with what has been agreed in this clause and, in particular, without limitation, to

(a) Exercise, in a unitary manner, the voting rights arising from the Syndicated Shares and, in particular, to ensure that all the Syndicated Shares vote at the general shareholders meetings, both ordinary and extraordinary, held during the term of this Agreement, in a unitary manner and in the same direction as the Representative's.

(b) Delegate their assistance and voting rights in favour of the Representative for each general shareholders' meeting, authorizing him to vote in their name.

(c) Without prejudice to the above, any of the Syndicated Shareholders may vote in the direction they deem appropriate when, as a consequence of calling a general shareholders meeting of the Company, it is included in the agenda, or in case of a universal general shareholders meeting (in accordance with Article 178 of the Spanish Companies Act), as a point to be discussed, the adoption of any of the following resolutions: (i) resolutions that imply the imposition of new obligations on the Syndicated Members; (ii) resolutions that affect the individual rights of the Syndicated Shareholders; (iii) resolutions that involve violation of the law or a breach of the Agreement.

6.4 The Syndicated Shareholders unanimously agree to appoint Mr. Grant Greatrex as their Representative, who accepts this appointment. The Representative shall obligatorily be a member of the board of directors.

6.5 Mr. Grant Greatrex shall cease to exercise these functions if the Syndicated Shareholders so decide by common agreement, in which case they shall notify the Company and FF in writing, indicating the identity of the new Representative.

7. Core Resolutions

7.1 The board of directors and/or the general shareholders meeting, as applicable, shall exercise its legal or statutory powers and shall pass the respective resolutions in accordance with the terms and conditions of the By-laws and applicable laws, provided however that the limitations of this clause 7.1 are observed and shall prevail over the By-laws, otherwise the Shareholders (directly in the general shareholders meeting, and indirectly through the members appointed for the board of directors) shall be considered as failing to comply with the provisions of this Agreement.

7.2 The Shareholders hereby agree that any resolution of the board of directors shall only be approved with the affirmative vote of half plus one of the members of the board of directors and the By-laws shall require the Board to have at least half plus one of the members of the board of directors present or represented to deal with any matters of its agenda.

7.3 The following matters shall be subject to resolution of the general shareholders meeting ("**Core Resolutions of the General Shareholders Meeting**") and the general shareholders meeting (which will be called by individual written announcements) will only be able to pass resolutions relating to the Core Resolutions of the General Shareholders Meeting with the affirmative vote of the Shareholders whose shares represent at least seventy five per cent (75%) of the voting rights of the share capital.

(a) Changes and amendment to the Company's by-laws, except as required by law or amendments resulting from the Business Plan.

(b) Merger, demerger, dissolution, transformation assign all assets and liabilities, move abroad the Company's registered office and accomplish any other structural change involving the Company or reactivate the Company, except where the resolution must be passed as required by law.

(c) Reactivate, wind up or liquidate the Company, except where the resolution must be passed as required by law.

(d) Capital increases or reductions of any kind and waiver or limitation on the Shareholder's rights of first refusal on such capital increases or decrease

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of the share capital of the Company except as required by law or amendments resulting from the Business Plan or the Participating Loan and, as the case may be, distribute reserves of any type and distribute dividends below the amount stipulated in clause 12. Annul the right of first refusal to assumption in capital increases in whole or in part. Buy back or amortize shares.

(e) Appoint, renew or dismiss the auditor of the Company.

(f) Issue of securities that grants rights to acquisition or subscription of shares.

(g) Proposal and/or deliberation of dividend distribution or distribution of any other social assets to the Shareholders, without prejudice of the provision of clause 12.

(h) Approval of all accounting documentation (including financial statements and management reports) and approval of the annual accounts and the consolidated annual accounts, if any.

(i) Change the administration system and make any changes to the directors' remunerations.

(j) Incorporation and extinction of subsidiary companies of the Company as well as acquisition, subscription, sale or encumbrance of shareholdings when this matter is out of the faculties of the board of directors or when it is referred to essential assets of the Company in accordance with the Spanish Companies Act.

(k) Conclusion, modification or termination of any agreements with the Shareholders (including, without limitation, the reimbursement of shareholders' loans or supplementary payments or any other credits), including contracts or agreements between the Company and a company majority owned or controlled by any of the Parties.

(l) Decisions regarding direct investments of the Company in its own projects under the terms of the Business Cooperation Agreement.

(m) Contribute assets by the Company involving amounts exceeding twenty thousand euros (€ 20,000).

(n) Grant waivers and authorization for conflicts of interest affecting directors (or directors' related parties) as established under article 230 of the Spanish Companies Act within the authority of the general meeting.

(o) Instruct the board of directors or give the general meeting's prior authorization for the board to pass resolutions on certain management matters.

(p) Execute, terminate or amend the employment or corporate contract of a board member.

(q) Decisions or resolutions in relation to the Commercial Terms reflected in clause 14 and **Schedule K** to be adopted under such Schedule by the Shareholders within the Company and which do not foresee a dispute resolution mechanism in **Schedule K**.

7.4 The Shareholders hereby undertake to adopt all measures within its powers to ensure the effective application of the provisions of this clause to any company directly or indirectly controlled by the Company.

8. Restrictions on the transfer of shares

8.1 General

(a) As long as this Agreement remains in force, the Shareholders expressly agree that all direct or indirect Transfers of any shares they hold in the Company to any third party, put options and rights of first refusal of shares of the Company, and, in general, the Transfer of other rights that confer or may confer on their holder or owner the right to vote at the Company's general shareholders meeting, shall: (i) be made in accordance with the provisions of this Agreement, and (ii) be made together with the credits, receivables, loans, ancillary contributions and all other interests in the Company held by the transferring shareholders are transferred simultaneously with the relevant shares.

(b) The Parties agree to apply the restrictions on the Transfer of the Company's shares provided for in this clause, even if such restrictions

are not able to be incorporated into the By-laws due to the impossibility of registering them.

(c) The Transfer or acquisition of shares in the Company (whether by purchase, capital increase, intra-group transfer of shares, or by any other type of transaction, including under any of the provisions of this Agreement) will, in any case, be conditional upon such acquirer becoming a party to this Agreement agreeing unconditionally to abide by the provisions of this Agreement and assuming all of the transferring Shareholder's rights and obligations under this Agreement, by signing a unilateral declaration of adherence to its terms and conditions (the "**Declaration of Adherence**"), without prejudice to it only being specifically regulated in particular provisions of this Agreement.

(d) Transfers of Company shares that do not comply with this clause will not be valid, nor will they have any effect on the Company, which will not recognise as a shareholder anybody who acquires Company shares in breach of this clause. Likewise, the voting rights corresponding to Company shares transferred in contravention of the provisions of this clause shall be automatically suspended to the fullest extent permitted by law.

(e) Failure to comply with the obligations provided for in this clause shall be deemed a breach of the Agreement for the purposes of clause 16.

(f) Unless otherwise unanimously agreed by the Shareholders, no Shareholder shall pledge its shares, grant a right of usufruct or otherwise create a Charge or Encumbrance over the same.

(g) The Parties agree that, except in situations where Transfers are to be made at nominal value of Shares, all other valuations of Shares made by independent experts and provided for in this Agreement shall take into consideration the Company's fair value and shall be made on a 100% share capital basis according to pre-agreed valuation metrics set out in **Schedule G**, based on metrics on the multiples to be applied to the sale of equipment and services, and shall not take into consideration, in any

case, the existence of a control premium or a minority discount, depending on the shareholding that may be transferred.

8.2 *Lock-up period:*

The Parties hereby declare their intention to remain as shareholders of the Company in the long term and acknowledge that the continued interest of the Shareholders is essential to assure the stability needed for the normal activity of the Company. Therefore, the Parties undertake not to sell, promise to sell, or by any way Transfer their shares in the Company until the earlier of: (i) the 3rd anniversary of this date; or (ii) the date of full repayment of the amounts due under the Participating Loan (the "**Lock-up Period**") except for Intra-Group transfers as agreed in clause 8.5. For the avoidance of doubt, once all amounts under the Participating Loan are fully paid, FF undertakes to approve such resolutions as necessary to eliminate the restrictions under the by-laws for the Transfer of the shares in the Company except as agreed in clauses 8.1, 8.3, 8.4 and 8.8.

Once the Lock-up Period has expired, and subject to the further restrictions set forth in this clause 8, the Syndicated Shareholders may Transfer the Syndicated Shares and credits, receivables, loans and other interests in the Company provided that they do not sell the Syndicated Shares to an entity whose main activity competes with the Business or, or to a Non-reputable Entity.

8.3 *Direct transfer of shares*:

(a) Once the Lock-up Period has expired, if one of the Parties wishes to transfer the totality of its shareholding (the "**Offered Shares**") in the Company, the restrictions in this clause 8.3 will apply (in addition to the ones set forth in clauses 8.1 and 8.8) and except as agreed in clause 8.6 below.

(b) *Block Transfers:* The Parties may only transfer all of their shares, together as a Block, but not partially or separately. Therefore:

(i) For the purposes of this paragraph (b), the Syndicated Shareholders shall be considered as a Block, and therefore shall not be able to transfer the Syndicated Shares, without the other also transferring its

shares, including the exercise of the tag-along right and the right of first refusal.

(ii) Consequently, the Parties agree that for the purposes of transfers of shares within the Company, there will be two Blocks: (i) the Block composed of the shares held at any given time by FF ("**FF Block**") and, (ii) the Block composed of the Syndicated Shares (the "**Syndicated Block**") (both jointly, the "**Blocks**", and individually the "**Block**").

(iii) Any communication that may be made by the FF Block to the Syndicated Block notifying its intention to transfer its shares will be directed to the Syndicated Shareholders, which will also be their representative in dealing with transfer of shares scenarios.

(iv) Transfers of shares cannot be for no consideration (*gratuitas*). For the purposes of the Right of First Refusal and the Tag-along Right established in this Agreement, in Transfers for consideration (*onerosas*) different from sale and purchase, the value of the shares will be the value determined by an independent expert, and the remaining provisions of clauses 8.3(c) and 8.3(d) will apply *mutatis mutandis*.

(v) The transferring Block (the "**Transferring Block**") that has reached an agreement with any third party to transfer all of its shares (the "**Undertaking**") will notify the non-transferring Block of the conditions for the transfer of the shares at least forty-five (45) Business Days before the planned completion date, enclosing the firm offer of the third party (the "**Notice of Transfer**").

(vi) The Undertaking must be firm and irrevocable, without prejudice to the potential exercise of the tag-along right or the right of first refusal of the non-transferring Block. For the transfer procedure to be valid, the Undertaking will have to include a firm commitment from the third party to acquire the shares of the non-transferring Block who may exercise its tag-along right, at the same price. For the purposes

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of the provision of this clause, it will be understood that an Undertaking does not include, among others, a non-binding offer, memorandum of understanding or letter of intent.

(vii) The Notice of Transfer must clearly identify the Offered Shares, the acquirer and the terms and conditions for the transfer (including price, term and payment method).

(viii) Within thirty (30) days from receipt of the Notice of Transfer, the non-transferring Block will inform the Transferring Block of its decision to exercise the tag along right over its shares (the "**Tag-Along Notice**") or to exercise its right of first refusal (the "**Right of First Refusal Notice**").

(c) *Tag-along right:*

(i) Where the non-transferring Block chooses to exercise its tag-along right over the shares, it will be entitled to sell all of its shares, at the price agreed in the Undertaking for the Transferring Block, and under the same conditions (including assuming the same representations and warranties as made by the Transferring Block).

(ii) The transfer of the shares offered by the Transferring Block and the non-transferring Block who has exercised its tag-along right to the third party must take place within fifteen (15) days from the date of the Tag-Along Notice.

(d) *Right of first refusal*:

(i) Where the non-transferring Block chooses to exercise its right of first refusal over the Offered Shares, the Right of First Refusal Notice must be in accordance with the Notice of Transfer. The price and payment conditions for the shares transferred by virtue of the exercise of the non-transferring Block's right refusal will be the price and payment conditions agreed in the Undertaking and included in the Notice of Transfer. The sale and purchase in exercise of the Right of First Refusal shall be made with no representations and warranties

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other than fundamental warranties on capacity, title and absence of charges and encumbrances over the Shares.

(ii) The closing of the purchase arising from the exercise of the right of first refusal by the non-transferring Block, shall take place within thirty (30) days after the end of the thirty (30) day period referred to in paragraph (b)(viii) above. If the non-transferring Block fails to purchase all of the Offered Shares within this period and in accordance with the terms of the applicable Notice of Transfer, then the Transferring Block may sell the Offered Shares to the third-party not later than the 90th day after the end of the thirty (30) day period referred in paragraph (b)(viii) above.

(e) If the Offered Shares are not sold to the third party within the 90-day period specified above, then the rights of the non-transferring Block under this clause shall be fully restored and reinstated as if such offer had never been made.

(f) If the non-transferring Block fails to exercise either its tag-along right over the shares or its right of first refusal within the thirty (30) day period referred in paragraph (b)(viii) por encima de, the Transferring Block will be free to transfer the Offered Shares to the third-party acquirer, which will be obliged, simultaneously with the transfer, to assume unconditionally all the terms and conditions of this Agreement by signing the Declaration of Adherence. The transfer must be accomplished within thirty (30) days from the date it is established that the Transferring Block may transfer its Offered Shares freely, under the terms and conditions set out in the Notice of Transfer.

(g) In the event of a direct Transfer being effectively accomplished by the FF Block, not having the Syndicated Block exercised neither (i) the tag-along right over its shares nor, (ii) its right of first refusal; FF undertakes to cause the relevant company of its Group to maintain the licenses and the services agreements in force at the time of the direct Transfer carried out by the FF Block and to continue providing the Technology, know-how, and any

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other goods or services, or equipment and guarantee maintenance, needed for the proper functioning of the Company under the existing agreements in force, and all projects developed pursuant to the execution of this Agreement and being in force at the time of the transfer, including all the provisions and commitments foreseen in clause 0. For the avoidance of doubt, the Parties agree that rendering of additional services or supply of goods, equipment, know-how and Technology not covered in the existing agreements at the time of the transfer, by FF or any company of its Group, shall be agreed by entering into separate agreements at arms' length and on terms substantially similar to those of the existing agreements at the time of transfer.

8.4 *Indirect transfer of shares by the Syndicated Shareholders*:

(a) Prior to completing any indirect Transfer of the Company's shares whereby a change of control in a Syndicated Shareholder, or in any of the companies that hold share capital of the Syndicated Shareholders is intended to occur (excluding by mortis causa), the Syndicated Shareholder undergoing the change of control shall notify the FF Block of the intended change of control (the "**Change of Control Notice**"). For the avoidance of doubt, the provisions of this section 8.4 are not applicable to FF.

(b) For these purposes, "**Group**" shall have the meaning included in Article 42 of the Spanish Commercial Code, or when there is a direct or indirect control relationship between the Syndicated Shareholder and another third party similar to that provided for in the aforementioned Article 42, both are under a single management, or there is a direct or indirect control relationship between both, whereby the financial or operational policies of their businesses are directed ("**Control**"). However, no change of control in the Syndicated Block will occur in the event of death of any one or two of Mr. Javier Esteban, Mr. Ignacio Esteve or Mr. Grant Greatrex, and consequently if at least one of them is alive, in which case the Syndicated Shareholders controlled by the successors of the deceased will syndicate in favour of the other Syndicated Shareholder controlled by the non-deceased.

(c) For the purposes of assessing a change of control in the Syndicated Block, charts of the composition of the Syndicated Shareholders in each Group are attached as **Schedule H**. In order to monitor the absence of an uncommented change of control, FF may request reasonable and sufficient information from the Syndicated Shareholders to verify that a change of control has not occurred. The Syndicated Shareholders agree to update the charts when movements in the shareholding occur.

(d) Indirect transfers of shares are treated differently in this clause depending on whether the change of control occurs within the Lock-up Period or after the Lock-up Period, or whether the change of control is due to death of Mr. Javier Esteban, Mr. Ignacio Esteve and Mr. Grant Greatrex.

(e) *Change of control occurring during the Lock-up Period*: In the event of a change of control occurring in the Syndicated Block during the Lock-up Period, FF shall be entitled within fifteen (15) days from the date it receives the Change of Control Notice or from the date it became aware of the change of control to:

(i) Exercise a put option over all the FF Shares (the "**Lock-up Change of Control Put Option**"), by sending a written notice to the Syndicated Shareholders (the "**Lock-up Change of Control Put Option Notice**"). The acquisition price of the FF Shares shall be the fair value of the FF Shares based on the Company's fair value as of the date FF receives the Change of Control Notice, plus a thirty percent (30%) premium. Such fair value of the FF Shares shall be determined by the Change of Control Expert according to pre-agreed valuation metrics set out in **Schedule G** based on the multiples to be applied to the sale of equipment and services, and considering the Company's debt under the Participating Loan at the date of the Lock-up Change of Control Put Option Notice. The Change of Control Expert shall be chosen by FF. The Change of Control Expert's fees will be borne by the Syndicated Block undergoing the change of control.

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(ii) Exercise a call option over all of the Syndicated Shares (the "**Lock-up Change of Control Call Option**"), by sending a written notice to the Syndicated Block (the "**Lock-up Change of Control Call Option Notice**"). The acquisition price of the Syndicated Shares shall be of one (1) euro per share.

Transfer of the Syndicated Shares for the Lock-up Change of Control Put Option and the Lock-up Change of Control Call Option shall be formalized within sixty (60) days following the date of the Change of Control Expert determination on the price of the Syndicated Shares in accordance with the above, and (60) days following the date of the Lock-up Change of Control Call Option Notice, for the Lock-up Change of Control Call Option. The Shareholders agree that such periods shall be extended if there are any required consents or authorizations outstanding until five (5) Business Days after all such required consents or authorizations have been obtained.

(f) *Change of control occurring after the Lock-up Period*: in the event of a change of control occurring in the Syndicated Block after the Lock-up Period, FF shall be entitled within fifteen (15) days from the date it receives the Change of Control Notice or from the date it became aware of the change of control, to:

(i) Exercise a put option over all the FF Shares (the "**Change of Control Put Option**"), by sending a written notice to the Syndicated Shareholders (the "**Change of Control Put Option Notice**"). The acquisition price of the FF Shares shall be the fair value of the FF Shares to be acquired based on the Company's fair value according to pre-agreed valuation metrics set out in **Schedule G** based on both the metrics on the multiples to be applied to the sale of equipment and services, and considering the Company's debt under the Participating Loan as of the date FF receives the Change of Control Notice. Such fair value of the FF Shares shall be determined by the Change of Control Expert. The Change of Control Expert will be

appointed by FF, and its fees will be borne equally by the Shareholders.

(ii) Exercise a call option over all the Syndicated Shares (the "**Change of Control Call Option**"), by sending a written notice to the Syndicated Shareholders (the "**Change of Control Call Option Notice**"). The acquisition price of the Syndicated Shares shall be the fair value of the Syndicated Shares to be acquired as of the date FF receives the Change of Control Notice, based on the Company's fair value according to pre-agreed valuation metrics set out in **Schedule G** based on both the metrics on the multiples to be applied to the sale of equipment and services, and considering the Company's debt under the Participating Loan at the date of the exercise of the Change of Control Call Option Notice. Such fair value of the Syndicated Shares shall be determined by the Change of Control Expert. The Change of Control Expert will be appointed by FF and its fees will be borne equally by the Shareholders.

Transfer of the Syndicated Shares for both the Change of Control Put Option and the Change of Control Call Option shall be formalized within sixty (60) days following the date of the Change of Control Expert determination on the price of the FF Shares or the Syndicated Shares, as the case may be. The Shareholders agree that such period shall be extended if there are any required consents or authorizations outstanding until five (5) Business Days after all such required consents or authorizations have been obtained.

(g) *Change of control due to death of Mr. Javier Esteban, Mr. Ignacio Esteve and Mr. Grant Greatrex*: in the event of a change of control occurring in the Syndicated Block due to death of Mr. Javier Esteban, Mr. Ignacio Esteve and Mr. Grant Greatrex, irrespective of whether it takes place during or after the Lock-up Period:

(i) FF shall be entitled within fifteen (15) days from the date on which the successors of Mr. Javier Esteban, Mr. Ignacio Esteve and Mr.

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Grant Greatrex notify FF of the death of the shareholders (the "**Change of Control Due to Death Notice**") or from the date it became aware of the change of control, to exercise a call option over all the Syndicated Shares (the "**Change of Control Call Option Due to Death**"), by sending a written notice to the Syndicated Shareholders (the "**Change of Control Call Option Due to Death Notice**"). The acquisition price of the Syndicated Shares shall be the fair value of the Syndicated Shares to be acquired as of the date FF receives the Change of Control Due to Death Notice, based on the Company's fair value according to pre-agreed valuation metrics set out in **Schedule G** based on both the metrics on the multiples to be applied to the sale of equipment and services, and considering the Company's debt under the Participating Loan at the date of the exercise of the Change of Control Call Option Due to Death Notice. Such fair value of the Syndicated Shares shall be determined by the Change of Control Expert. The Change of Control Expert will be appointed by FF and its fees will be borne equally by the Shareholders.

(ii) The Syndicated Shareholders shall be entitled to exercise a put option over all the Syndicated Shares (the "**Change of Control Syndicated Shareholders Put Option**"), by sending a written notice to FF (the "**Change of Control Syndicated Shareholders Put Option Notice**"). The acquisition price of the Syndicated Shares for the purposes of the Change of Control Syndicated Shareholders Put Option shall be the fair value of the Syndicated Shares to be acquired as of the date FF receives the Change of Control due to Death Notice, based on the Company's fair value according to pre-agreed valuation metrics set out in **Schedule G** based on both the metrics on the multiples to be applied to the sale of equipment and services, and considering the Company's debt under the Participating Loan at the date of the exercise of the Change of Control Syndicated Shareholders Put Option Notice. Such fair value

of the Syndicated Shares shall be determined by the Change of Control Expert. The Change of Control Expert will be appointed by FF and its fees will be borne equally by the Shareholders.

Transfer of the Syndicated Shares for both the Change of Control Put Option and the Change of Control Call Option Due to Death shall be formalized within sixty (60) days following the date of the Change of Control Expert determination on the price of the FF Shares or the Syndicated Shares, as the case may be. The Shareholders agree that such period shall be extended if there are any required consents or authorizations outstanding until five (5) Business Days after all such required consents or authorizations have been obtained.

8.5 *Intra-Group transfers of shares*:

(a) The Parties have no right of first refusal or tag-along right and the Lock-up Period restriction does not apply when all of the following conditions are met:

(i) The third-party acquirer of the shares is a company which majority of the share capital and voting rights are held by the Transferring Block.

(ii) The third-party acquirer adheres previously and without reservations to the Agreement by means of a Declaration of Adherence, by statement for the benefit of the non-selling Shareholders.

(b) Transfer between Shareholders belonging to the same Block will be free and, consequently neither the tag along right nor the right of first refusal nor the Lock-up Period restriction will be enforceable.

8.6 *Syndicated Shareholders' Exit Right:*

(a) At any time after the fifth year of the signing of this Agreement, the Syndicated Block may exercise a right to cause a sale of their shares, subject to FF Block's right of first refusal under this clause, by sending a written notice to the FF Block informing that it intends to sell the shares

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of the Company held by the Syndicated Block under this clause and to retain the Exit Expert to determine the fair value of the Syndicated Shares in accordance with paragraph (e) (the "**Exit Notice**"). For the avoidance of doubt, the Tag-along right and any other pre-emptive rights different from the FF Block's right of first refusal under this clause shall not apply.

(b) In order for the exit right provided for in this clause to be valid, the Exit Notice must be sent by the Syndicated Block to the FF Block only after the fifth anniversary of the signing of this Agreement.

(c) Within thirty (30) days from receipt of the Exit Expert determination on the fair value of the Syndicated Shares pursuant to paragraph (e) below, the FF Block must inform the Syndicated Shareholders of its intention to exercise its right of first refusal and, if so, that it will purchase the Syndicated Shares free and clear of any charges and encumbrances or third party rights and for the price defined in paragraph (e).

(d) Where the FF Block chooses to exercise the right of first refusal provided for in this clause, the Syndicated Shareholders will be obliged to sell the offered Syndicated Shares to the FF Block free and clear of any charges and encumbrances or third party rights and for the price defined in paragraph (e), reduced by a seven point five percent (7.5%) discount. Once the right of first refusal is exercised, the Shareholders shall conclude the sale and purchase of shares within 30 (thirty) days from receipt by the Syndicated Shareholders of the FF Block's notice informing them of its intention to exercise the right of first refusal, carrying out the acts and executing all the documents required to the Transfer of the Syndicated Shares and to the payment of the price.

(e) The minimum sale price of the Syndicated Shares, subject to a 7.5% discount, shall be the fair value of the Syndicated Shares based on the Company's fair value as of the date the FF Block receives the Exit Notice, considering the Company's debt under the Participating Loan at the date of the FF Block's notice of exercise of its right of first refusal. Such fair value of the Company's Shares shall be determined by the Exit Expert

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according to the pre-agreed valuation metrics set out in **Schedule G** based on both the metrics on the multiples to be applied to the sale of equipment and services. The Exit Expert will be appointed by the Syndicated Block, and its fees will be borne by the Syndicated Block.

(f) If the FF Block fails to acquire the Syndicated Shares within thirty (30) days from receipt by the Syndicated Shareholders of the FF Block's notice informing them of its intention to exercise the right of first refusal, the Syndicated Block will be entitled to sell all, but not less than all, of the Syndicated Shares, through a private bidding process or direct sale in accordance with paragraphs (g) and (h) below ("**Sale Process**").

(g) The Sale Process will be led by the Syndicated Block and may be initiated by appointing an investment bank or an acquisitions consulting.

(h) The Sale Process is subject to the following rules:

1. The Sale Process shall be performed within the 9 months following expiration of the thirty (30)-day period from receipt by the Syndicated Shareholders of the FF Block's notice informing them that FF does not intend to exercise the right of first refusal (the "**Sale Period**").

2. The Company, with the assistance of external consultants if it is deemed necessary by the Syndicated Shareholders, will cooperate and provide all reasonable documentation and information requested by the potential acquirers.

3. Throughout the Sale Process, FF Block shall evaluate all potential bidders or acquirers of the Syndicated Shares. For that purpose, within fifteen (15) days from receipt of the Syndicated Shareholders' request, FF shall deliver the Syndicated Shareholders reasoned communication of whether the relevant bidders or acquirers, as the case may be, are eligible for FF only in terms of AML/KYC. If the fifteen (15) day period expires without FF having delivered the Syndicated Shareholders the reasoned communication referred above, the Syndicated Shareholders shall contact FF again and

follow up on the matter, and FF shall have an additional fifteen (15) day period to deliver said reasoned communication. Lack of response by FF within said periods shall be deemed as acceptance by FF of the relevant bidder or acquirer.

4. From receipt of the Exit Notice, FF Block shall refrain from carrying out any action that could reasonably harm the successful completion of the sale process, including any action aimed at selling the FF Shares. In addition, FF Block shall cooperate with the Syndicated Block and shall refrain from maintaining contacts with potential buyers, investment banks or financial advisors involved in the Sale Process, nor shall they provide information on the Company to third parties for considering a possible sale of the Shares or the FF Shares, except when expressly authorized to do so by the Syndicated Shareholders.

5. Should price offered for the Syndicated Shares in the binding offer to be accepted by the Syndicated Block be lower than the fair value determined in accordance with paragraph (e) por encima de above (without the 7.5% discount referred in that paragraph), the FF Block will have a preferential right to acquire the Syndicated Shares for the lowest price offered.

6. On receipt of the binding offer referred in paragraph above, the FF Block will have a term of thirty (30) days to communicate the Syndicated Shareholders its intention to exercise its preferential right to acquire the Syndicated Shares.

7. Should the FF Block not exercise such preferential right of acquisition within the thirty (30) days after receipt of the binding offer, the Syndicated Block will be free to sell the Syndicated Shares to such offerors.

8. The Parties agree and commit to carry out all actions necessary for the transfer of the Syndicated Shares.

9. If the sale and purchase of the Syndicated Shares cannot be

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concluded for any reason attributable to FF, the Syndicated Shareholders may choose to require enforcement. In either case, FF will be required to compensate the Syndicated Shareholders for all damages attributable to its breach.

(i) In the event that the Syndicated Block does not complete the sale of the Syndicated Shares within the Sale Period, the Syndicated Block may only restart the process of this clause 8.6 after the expiration of at least 18 months after the end of the Sale Period.

(j) Both the FF Block and the Syndicated Block agree that during the Sale Period, they shall not exercise the rights under clause 8.7.

(k) In the event of a Transfer to a third party being effectively accomplished either if the FF Block exercises its right of first refusal or in the exercise of the Syndicated Shareholders' exit right established in this this clause 8.6, FF undertakes to cause the relevant company of its Group, to maintain the licenses and the services agreements in force at the time of the Transfer and to continue providing the Technology, know-how, and any other goods, services, equipment and guarantee maintenance, needed for the proper functioning of the Company under the existing agreements in force, and all projects developed pursuant to the execution of this Agreement and being in force at the time of the Transfer, including all the provisions and commitments foreseen in clause 0.

8.7 *SPV's sell-out right*

(a) With respect to any equity holdings held by the Company in any special purpose vehicles incorporated to develop hydrogen projects (the "**SPVs**"), the Parties agree that either Block may request the Company to initiate a sale process of its shareholding in a particular SPV, by sending a written notice to the Board of the Company with copy to the other Block informing that subject to compliance with any legal or contractual requirements the Company should divest its total equity stake in the relevant SPV (the "**SPV sell out right**"), as follows:

(i) This SPV sell out right can only be initiated by (i) the Syndicated

Shareholders from the fifth year after the signature of this Agreement, and (ii) by FF after the date of commercial operations ("COD") of the hydrogen plant developed by the relevant SPV.

(ii) With regard to the determination of the sale price and process, paragraphs (e), (f), (g) and (h) of clause 8.68.6 por encima de will apply *mutatis mutandis*. For the avoidance of doubt, save for the ROFR (as this term is defined in clause 0 below), FF has no preferential rights of acquisition on the equity holdings of the SPVs.

(iii) The Parties agree that the proceeds from the sales of the shareholdings in the SPVs shall be immediately distributed to the Shareholders proportionally to each Shareholder's stake in the Company at the relevant time, provided that the applicable legal and statutory requirements are met.

(iv) The sale mechanism provided for in this clause cannot be initiated by any of the Shareholders if a sale of the Company is in progress in accordance with clause 8.6.

8.8 *Sale to Competitors*

The Parties undertake not to Transfer, directly or indirectly, shares of the Company to Companies and their industrial groups that manufacture technology to produce green hydrogen.

8.9 *Reputational Damage Put and Call Option:*

(a) If a Reputational Damage occurs, the non-breaching Block may choose to either purchase the Shares from the breaching Block, which will be obliged to sell them, or to sell its Shares to the breaching Block, which will be obliged to purchase them (both the non-breaching Block Shares, if it intends to sell them, and the breaching Block Shares, if it intends to purchase them, will be referred to as "**Shares Subject to the Reputational Damage Put and Call Option**"), subject to the terms and conditions provided for below (the "**Reputational Damage Put and Call Option**").

(b) For the purpose of this Agreement, the following circumstances will be

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considered Reputational Damage: if any Shareholder, their beneficial owners, directors, officers, directors or service providers of the Company appointed at proposal of any Shareholder, are (1) formally accused of money laundering, corruption or illegal conduct that may materially harm the Company, the other Shareholders or any company related to the other Block Group; (2) formally accused of criminal conduct or are subject to a final criminal judgment imposing a sentence of more than three years' imprisonment (the "**Reputational Damage**"). The Shareholder causing the Reputation Damage is deemed to be the "Breaching Shareholder" and the Block to which the Breaching Shareholder belongs shall be deemed to be a "breaching Block", the other Block being the non-breaching Block.

(c) Shares Subject to the Reputational Damage Put and Call Option. The Reputational Damage Put and Call Option shall be exercised only once over the entirety of the Shares Subject to the Reputational Damage Put and Call Option. Partial exercise of the Reputational Damage Put and Call Option is prohibited.

(d) Exercise of the Reputational Damage Put and Call Option. If the non-breaching Block exercises the Reputational Damage Put and Call Option in accordance with this clause 8.9, the breaching Block must sell or purchase, as the case may be, full ownership of all the Shares Subject to the Reputational Damage Put and Call Option, in one single transaction, along with all of its inherent benefits and rights, free and clear of any Charges or Encumbrances, for the price and subject to the conditions provided in this clause.

(e) Price of the Shares Subject to the Reputational Damage Put and Call Option. The purchase price of the Shares Subject to the Reputational Damage Put and Call Option will be the price equal to the fair value of the Shares Subject to the Reputational Damage Put and Call Option based on the Company's fair value, as determined by the Put and Call Option Expert appointed by the non-breaching Block (which fees shall be borne by the Breaching Shareholder) according to pre-agreed valuation metrics set out in **Schedule G** based on both the metrics on the multiples to be applied to

the sale of equipment and services, and considering the Company's debt under the Participating Loan at the date of the exercise of the Reputational Damage Put and Call Option, and either reduced by thirty per cent (30%) for the purchase of the breaching Block Shares, or increased by thirty per cent (30%) for the sale of the non-breaching Block shares, as applicable. As an exception to the general regime provided for in Article 1152 of the Civil Code, the price reduction or increase provided for in this clause will be in addition to the indemnity for damages that may result from the breach.

Given the serious nature of the consequences of breaching this Agreement, the Parties expressly agree that this penalty will be applied in full and that there will be no mitigation of the penalty by the arbitration court mentioned in clause 28.3 in view of the degree of breach or any other circumstance.

(f) Exercise period and procedure to exercise the Reputational Damage Put and Call Option. The Reputational Damage Put and Call Option may be exercised by the non-breaching Block as long as this Agreement remains in force. The non-breaching Block must exercise the Reputational Damage Put and Call Option within fifteen (15) days from the date of the occurrence of a Reputational Damage, by giving written notice to the breaching Block (the "**Notice of Exercise of the Reputational Damage Put and Call Option**"), stating: (i) that the Put and Call Option Expert has been appointed to assess the price per share applicable to the sale and the total price for the Shares Subject to the Reputational Damage Put and Call Option; and (ii) the place, date and time the share purchase agreement will be carried out, which may not be later than 30 (thirty) Business Days following the date the Notice of Exercise of the Reputational Damage Put and Call Option was sent provided that the Put and Call Option Expert has finalized the determination of the price.

(g) Purchase and sale of the Shares Subject to the Reputational Damage Put and Call Option. To the extent that the breaching Block has given its consent to the purchase and sale of the Shares Subject to the Reputational Damage Put and Call Option in this Agreement, the remittance of the

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Notice of Exercise of the Reputational Damage Put and Call Option will perfect the purchase and sale of the same, remaining pending the registration of the sale and the obligation to pay the price.

(h) Formalization of the sale and purchase of the Shares Subject to the Reputational Damage Put and Call Option. Once the Notice of Exercise of the Reputational Damage Put and Call Option has been delivered, the breaching Block agrees to formalize the sale or purchase of the Shares Subject to the Reputational Damage Put and Call Option, as the case may be, under the terms and conditions established in this clause, on the date, in the place and time specified by the non-breaching Block in the Notice of Exercise of the Reputational Damage Put and Call Option, including the performance of the following acts:

(i) Both Blocks will sign the documents that may be necessary or convenient to register the full ownership of the Shares Subject to the Reputational Damage Put and Call Option in favour of the non-breaching Block or of the breaching Block, as the case may be, free of any Charges or Encumbrances, with all the political and economic rights provided for in the applicable law and in the By-laws and the non-breaching Block will pay or receive, as the case may be, the breaching Block the purchase or selling price provided for below.

(ii) The Block that sells its Shares will deliver the resignation letters of the directors of the Company appointed at their proposal.

If, after the Reputational Damage Put and Call Option is exercised, the Shares Subject to the Reputational Damage Put and Call Option cannot be Transferred for any reason attributable to the relevant Block (including the relevant Block' obligation to deliver the Shares Subject to the Reputational Damage Put and Call Option free and clear of any Charge or Encumbrance), the other Block may choose either to require enforcement or to terminate this Agreement. In either case, the relevant Block that failed to comply with this clause will be required to compensate the other Block for all damages attributable to its breach.

8.10 *FF's right of first refusal over the SPVs*

With respect to those SPVs that are a party to a hydrogen purchase agreement in force and whose equity holdings are held by the Company (the "**HPA SPVs**"), FF will have, subject to compliance with any legal or contractual requirements applicable to the HPA SPVs, a right of first refusal over the shares held by the Company in the HPA SPVs in accordance with the following rules (the "**ROFR**"):

(a) The ROFR can only be exercised at the initial stage of the relevant HPA SPV (*greenfield*),

(b) The ROFR shall not be effective if the relevant HPA SPV received funding from or is also owned by (either directly or indirectly by means of securities or equity interests) funds or financial investors.

(c) Within thirty (30) days from the date of the resolution of the board of directors of the Company to sell the shares in the HPA SPV and stating their fair value for their sale, FF shall exercise the ROFR by sending written communication to the Company with copy to the Syndicated Shareholders.

(d) IF FF decides to exercise the ROFR over such shares, the Syndicated Shareholders will then have a right of first refusal exercisable by written notice to FF and the Company within thirty (30) days after the end of the thirty (30) day period referred in paragraph above, to participate in such sale by purchasing half of the HPA SPV's shares for sale on the same terms as FF.

(e) If FF fails to exercise the ROFR or to purchase the HPA SPV shares in accordance with the terms of this Clause, FF will lose the ROFR and the Syndicated Shareholders will then have a right to purchase the HPA SPV shares within thirty (30) days after the end of the thirty (30) day period referred in paragraph (d) above or after the end of the sixty (60) day period referred in paragraph (f) below, as applicable. If the Syndicated Shareholders fail to exercise the said right, the Company will be free to sell and transfer the HPA SPV to third parties.

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(f) Closing of the purchase of the HPA SPV shares by FF or the Syndicated Shareholders, as applicable, shall take place within sixty (60) days after the end of the thirty (30) day periods referred in paragraphs above.

(g) The Parties agree that the proceeds from the sales of the Company's shareholdings in the HPA SPVs shall be immediately distributed to the Shareholders proportionally to each Shareholder's stake in the Company at the relevant time, provided that the applicable legal and statutory requirements are met and as long as Shareholders Loans have been settled.

(h) The mechanism provided for in this clause cannot be initiated if a sale of the Company or if the SPV sell out right is in progress in accordance with clauses 8.6 and 8.7.

9. Deadlocks

9.1 Considering that the Company is held 50%/50% by the Parties, it is essential to provide for a deadlock mechanism that may be triggered to avoid blocking the activity of the Company. Therefore, if the Parties fail to reach an agreement regarding certain resolutions of the General Shareholders Meeting or of the Board of Directors as described below, which absence results in the impossibility to the Company developing its activities in the ordinary course of business, the procedure provided for in this clause shall apply.

The Parties agree that the absence of agreement on the following resolutions of the General Shareholders Meeting or resolutions of the Board of Directors as applicable may lead to a Deadlock: resolutions regarding share capital increases or issue of bonds, warrants or other securities, entering into convertible loans by the Company, refinancing of the Company requiring guarantees from the shareholders, approval of guaranties/security by the Company in favor of subsidiaries or third parties, approval or changes to the Business Plan or the Annual Budget (or any renewals or amendments thereto), provided that the approved Business Plan or Annual Budget cannot be extended for another fiscal year with the existing resources.

For the avoidance of doubt, in the absence of agreement or majority to approve resolutions of the General Shareholders Meeting or Board of Directors in any

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other matters, such matters shall not be approved and the status quo shall be maintained and Company shall be governed in accordance with the by-laws, budget or business plan approved until such date.

9.2 For the purposes of this Agreement, a deadlock will be understood to exist where: (a) agreement cannot be reached regarding the resolutions described in clause 9.1, at least three (3) times in a period of less than twelve (12) months, or (b) it has been impossible to hold any sessions or pass any resolutions at a general shareholders meeting or a meeting of the board of directors due to lack of quorum at least three (3) times in a period of less than six (6) months (the "**Deadlock**").

9.3 If the Parties fail to reach an agreement regarding a Deadlock situation, the Shareholders will meet as soon as possible to attempt to resolve the conflict. If, in spite of their efforts, the Shareholders fail to resolve the Deadlock, either Shareholder may give the others notice of the Deadlock (the "**Notice of Deadlock**"), (i) stating that in its opinion a deadlock has occurred; and (ii) identifying the matter giving rise to the deadlock. On receipt of a Notice of Deadlock, the chairmen of the respective boards of directors of the Shareholders will meet to attempt to resolve the Deadlock.

9.4 If the chairmen referred above fail to reach an agreement regarding the relevant Deadlock situation in the following 30 days upon receiving the Notice of Deadlock, the following rules will apply:

(a) If Deadlock occurs during the Lock-up Period, the Parties shall jointly appoint an individual with proven knowledge about the matter in hand to decide on such matter (the "**Mediator**"). If (i) the Parties fail to appoint the Mediator within fifteen (15) days after the expiration of the period of negotiations referred to in the above paragraph or reach an agreement about the Mediator to be appointed or (ii) the decision of the Mediator communicated to the Parties within a maximum period of one (1) month from the date of acceptance of its appointment is not accepted by either Party, then the Mediator's decision will not be binding and the matter object of disagreement will not be approved by the competent corporate body, maintaining the Company's status quo. The Parties expressly agree

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that, during the Lock-up Period, no Deadlock may give rise to the exit of the Shareholders from the Company.

(b) If Deadlock occurs between the end of the Lock-up Period and the fifth anniversary of this Agreement, the Syndicated Shareholders may initiate the Exit Right provided for in clause 8.6 or the SPV sell out right of clause 8.7, as applicable, provided that the Deadlock refers to any of the Resolutions referred to in the second paragraph of clause 9.1.

(c) If Deadlock occurs after the fifth year of the Agreement, the Syndicated Shareholders may initiate the Exit Right or the SPV sell out right, as applicable, regardless of whether any of the resolutions referred to in the second paragraph clause 9.1 is involved.

10. Reporting Obligations

10.1 The Shareholders have the right, while holders of the Company's shares, directly or indirectly through their subsidiaries if applicable, to the following information:

(a) Monthly management reports, including sales and significant events (up to 15 (fifteen) days after the end of the respective month).

(b) Reports and audited accounts of the Company and its subsidiaries (if applicable) (up to 60 (sixty) days after the end of the exercise).

(c) accounts and treasury map as well as the respective analytical balance sheet (up to 15 (fifteen) days after the end of the respective quarter).

(d) Comparative report between Annual Budget and the accounting documents of Company and its subsidiaries.

10.2 Either Party may at all-time require additional informational and verify *in situ* the assets, books and other records of the Company and its subsidiaries, provided that such request does not affect the normal course of the activities of the Company and upon previous notice sent in writing by its legal representatives.

10.3 Any of the Parties may, at any given time, and without the need for further justification, request an external audit on the accounts of the Company. The expenses related to such an audit shall be borne by the Party who has requested

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it.

10.4 The Parties agree that, if any of the Shareholders is subject to specific reporting obligations and therefore the need to make specific or customized reports arises, the members of the board of directors appointed by such Shareholder shall ensure the compliance with such needs.

11. Financial Statements and Accounting records; Business Plan and Annual Budget

11.1 The Company shall keep proper accounting, records, financial statements and books of account in accordance with the general law and the accounting practice rules applicable to the Company. The auditor will resolve any discrepancies relating to the interpretation of those principles.

11.2 The supervision of the Company's accounts shall be made by an auditor appointed by the Parties, which shall be an independent tier one auditing firm and agreed upon by the auditors of FF, whose fees will be maintained at market value.

11.3 Parties have agreed the Business Plan for the next three (3) years and the Annual Budget for the current year: both documents are attached as **Schedule D**.

11.4 For the following financial years, the Joint Managing Directors will submit the Business Plan and the Annual Budget for the Company for each financial year for approval by the board of directors.

11.5 The Business Plan and the Annual Budget will be drafted and delivered to the directors at least forty-five (45) days before the start of the financial year to which they refer. The board of directors will approve the Business Plan and the Annual Budget with the affirmative vote of four (4) of its six (6) members, at least thirty (30) days before the start of the financial year to which they refer.

11.6 The Business Plan and the Annual Budget will deal with and review the following matters concerning the Business of the Company:

(a) Areas of business and commercial activity to be carried out or pursued during the following year.

(b) Forecast statement of income, balance sheet and cash-flow statement. The statement of income will clearly differentiate items corresponding to operating income and financial income.

(c) Proposals for investment and acquisitions.

(d) Proposals for financing, debt and guarantees to be provided or assumed by the Company.

(e) Asset sales and other financial transactions that might affect the Company's equity value, including disposal of assets, whether due to sale or any other reason.

(f) Forecast for hiring and dismissing employees.

11.7 If the board of directors fail to agree on the approval of the Annual Budget for any year, and until that disagreement is resolved in accordance with this Agreement, the Company will temporarily apply the approved Annual Budget for the preceding year, adjusted to adapt it to the forecasts of the Business Plan for the year in question.

12. Dividends

12.1 The Parties agree to maintain an active policy of dividends distribution in the Company and, if no other agreement is achieved, no less than 60% of the available profits shall be distributed to the Shareholders. The Parties also agree that the Company shall not declare, pay or make any dividend or other distribution until all amounts due under the Participating Loan have been repaid in full.

12.2 Notwithstanding clause 12.1 above, the dividends distribution shall be done in compliance with all applicable laws and regulations in place, and with full respect to its financial and economic situation and the Business Plan and the Annual Budget.

12.3 However, the Parties waive any rights they are entitled to in accordance with Article 348 bis of the Spanish Companies Act in the event that the Company, in accordance with the precedent paragraph does not distribute any dividends.

13. Other undertakings in relation to the Technology, equipment and guarantees

13.1 For the purpose of developing own projects, customers contracting directly with FFS or those projects channelled through FFS in execution of **Schedule K** of the Commercial Terms (the "**FFS Projects**"), the Parties consider essential to license, at each relevant moment, to the Company or to the SPVs the hydrogen Technology owned by FFP/FF so that the Company or the SPVs, as applicable, can operate and execute the FFS Projects.

13.2 The technology owned by FFP/FF consists of confidential technology and know-how for the hydrogen generation, including but not limited to (i) the process and FFP/FF's know-how for the production of hydrogen; and (ii) the development by FFP/FF of any technology, operational process, scientific developments, or any other form of know-how aimed at the manufacturing of H2 generators, and (iii) any new technology developed or any updated versions of the above (the "**Technology**").

13.3 The Parties agree that the participation of FF and FFP in each of the FFS Projects and the provision of Technology under the above paragraphs will only take place if the following conditions are met:

(a) The Company's clients must be previously approved by FF. In order to the client be approved, it shall (i) comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption; (ii) comply with FF' ethics, anti-bribery and anti-corruption policies; and (iii) be subject to a risk assessment based on the process of know your customer provided for in clause 0 (the "**Client Approval Procedure**"); and

(b) FF and/or FFP confirm in advance in writing their operational availability to participate in the relevant FFS Project and the provision of Technology (the "**Operational Availability**").

For the avoidance of any doubt, the Parties agree that if both the above conditions are not met, FF and FFP shall not be obliged to participate in the relevant FFS Project or to make available the Technology, without this implying a breach of this Agreement. However, if FF unreasonably and unjustifiably rejects

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Company's clients more than three (3) times in an twelve (12)-month period, the Syndicated Shareholders will be entitled to exercise the exit right of clause 8.6. For this purpose, it is understood that FF unreasonably rejected a client if, in substantially the same circumstances and considering guidelines and policies substantially similar to those of the Client Approval Procedure, an independent third party would have approved the relevant client.

In order to ensure that the Syndicated Shareholders and the Company are able to comply with the Client Approval Procedure, as well as with clause 20, FF undertakes to provide the Syndicated Shareholders and the Company, on the date this Agreement is signed, with the policies comprising the Client Approval Procedure, also undertaking to confirm annually that such policies remain unchanged. If the policies are modified, FF undertakes to notify the Syndicated Shareholders and the Company in writing of such modifications as soon as possible.

13.4 In this regard, FFP/FF represents and warrants to the other Parties and shall ratify these representations and warranties at all times when the corresponding Technology transfer is carried out to develop the FFS Projects, that (i) it is the owner of the entire right, title and interest in and to its Technology and that no third party has any right, title or interest in or to its Technology; (ii) it has the right to grant the rights set forth herein this clause; and (iii) it is not aware of any valid third party patent or other intellectual property rights that would be infringed by the use of the Technology.

13.5 Subject to the Client Approval Procedure and the Operational Availability, which shall not be unreasonably withheld or delayed, FFP/FF agree to, in its name and on behalf of any companies of the Group FFP/FF, to grant to the Company exclusivity on the Technology as licensee for the Spanish Territory whenever it is required in order to develop and execute the FFS Projects. For this purpose, the Parties agree that the Company and FFP/FF will enter into an exclusive Technology licensing agreement in accordance with the main terms reflected in **Schedule I**. The Technology licensing agreement will be in force save otherwise provided in this Agreement, for as long as required to carry out the relevant FFS

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Projects. This Technology will allow the Company to provide SPVs and its clients with a set of project management and operation and maintenance services.

13.6 Likewise, FFP and FF undertake, along with the transfer of Technology provided for in this clause, to train the FFS personnel and employees in all that is necessary and at all times, so that FFS can provide the O&M service and all the Related Services foreseen in **Schedule K**, to any FFS Project.

13.7 FFP and FF undertake to supply FFS with all equipment and products necessary in accordance with this Agreement and requested by FFS at any given time, in order to provide technology, equipment and services to the clients or projects executed in accordance with **Schedule K**. Such supply shall be provided within the time limits indicated by FFS at any given time. In relation to the FFS Projects, FFP and FF undertake to enter into a supply agreement with the Company for the equipment and products necessary pursuant to this Agreement. The main terms of the supply agreement are set out in **Schedule J**.

13.8 The FF Group will provide all guarantees and project performance bonds needed to develop and execute all projects executed in accordance with **Schedule K**, so there will not be any direct recourse or guarantees against the Company or its Shareholders. FFP and FF undertake to indemnify and hold FFS harmless against all claims arising from the failure to supply the equipment and products in accordance with the above paragraph, from the underperformance or malfunctioning of the said equipment and products, from the O&M service provided to projects and clients, as well as from any other claims arising from the implementation of each project carried out by FFS.

13.9 For the above purposes, FF and FFP shall take all steps necessary for the Client Approval Procedure and the Operational Availability to be diligently and timely obtained.

14. Commercial Terms

Parties have reached an agreement on the commercial terms to be afforded FFS, the Syndicated Block and the individuals holding the positions of Joint Managing Director or Service Provider linked to the business to be developed through the Company on the terms described in **Schedule K** (the "**Commercial Terms**").

15. No competition

15.1 During the term of this Agreement, no Shareholders nor any of its subsidiaries or companies of the Group they belong to, or their Related Parties, may, whether on its own behalf, or on behalf of, indirectly through, or jointly with, any other person, in Spain:

(a) carry on or be employed in any business that would compete with any part of the Company's Business (including any developments of the Business after the date of this Agreement).

(b) deal with or seek to deal with any of the Company's current clients, or customers, or providers, or projects, or those who had been the Company's clients or customers at any given time during the preceding twelve (12) months.

(c) offer employment to, enter into a contract for the services of, or attempt to entice away from the Company any individual who is at the time of the offer a director, officer or employee with the Company or procure or facilitate the making of any such offer or attempt by any other person.

15.2 The undertakings in this clause are given by each Shareholder and FFP and their respective Group to the Company. Those obligations apply to actions carried out by each Shareholder and FFP or any of its subsidiaries or any companies of the Group they belong to in any capacity, whether directly or indirectly, on its own behalf, on behalf of its subsidiaries and any company of its Group.

15.3 To the extent that it is able to, each Shareholder will exercise all voting rights and other powers relating to its subsidiaries and companies of its respective Groups to ensure that such companies comply with the terms of this Agreement. Otherwise, they will be directly responsible and liable for any breach of this Agreement.

15.4 Failing to comply with the obligations set out in clause 15.1 is deemed a Material Breach of this Agreement.

15.5 During a period of 24 (twenty-four) months after the termination of this Agreement or the date on which the Syndicated Shareholders or FF cease to be

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shareholders of the Company (the "**Leaving Shareholder**") and provided that the non-Leaving Shareholder is still a shareholder of the Company, no Leaving Shareholder nor any of its subsidiaries or companies of the Group they belong to, or their Related Parties, may, as concerns the Business, whether on its own behalf, or on behalf of, indirectly through, or jointly with, any other person, in Spain or in relation to clients of the Company operating abroad and introduced by the Syndicated Block (but, for avoidance of doubt, with regard to international clients, limited to international clients for which negotiations or the development of a specific project are ongoing and only during the negotiation period or the term of such project, as the case may be, with the limitation of the twenty-four (24) month period abovementioned) deal with or seek to deal with any of the Company's current clients, or customers, or providers, or projects, or those who had been the Company's clients or customers at any given time during the preceding twelve (12) months.

16. Penalty

16.1 A breach by either Party of any of the obligations provided for in the Agreement will entitle the non-breaching Party to claim indemnity as a penalty in the amount of one hundred thousand euros (€ 100,000).

16.2 That penalty is agreed expressly as an exception to the general regime provided for in Article 1152 of the Civil Code and is in addition to any damages caused. Consequently, it will not under any circumstance replace the breaching Party's obligation to indemnify the non-breaching Party for damages caused.

16.3 Given the serious nature of the consequences of breaching this Agreement, the Parties expressly agree that the penalty provided for in this clause will be applied in full and there will be no mitigation of the penalty by the arbitrator mentioned in clause 28 in view of the degree of breach or any other circumstance.

17. Term

17.1 This Agreement shall enter into force at the present date and will be in force for a period of 20 (twenty) years and will be renewed for consecutive five (5) year period, unless terminated expressly in writing by either Shareholder. Notice of

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such termination will be given at least six (6) months before the expiry date of the original term or any subsequent renewal term.

17.2 Without prejudice to the previous paragraph, this Agreement shall continue in full force and binding to the Parties, their successors or Transferees until one of the following circumstances occur:

(a) Any of the Parties ceases to be shareholder of the Company; or

(b) If during a period of twenty-four (24) months from the date this Agreement is signed, the Company or the SPVs have no activity. For this purpose, it is understood that the Company or the SPVs have no activity if, during the mentioned period, no new clients or projects are engaged (provided that a new client is engaged if it signs an agreement or accepts a proposal), or no hydrogen purchase agreements or Technology sales agreements are in place and the Company or the SPVs have no revenues to receive. If the situation described in this paragraph occurs, then clause 18.3 will apply.

17.3 The confidentiality obligations provided herein shall survive the termination of this Agreement for an indefinite period of time, and the exclusivity obligations shall remain in force for a period of six months, without prejudice to clause 24.3.

17.4 If this Agreement terminates or the Company ceases to be a subsidiary of FF, FF may, by notice, request the remaining shareholders to procure that the name of the Company is changed to avoid any confusion with the name of FF.

18. Termination of the Agreement

The Agreement will terminate in the following circumstances and will have the effects set out below, depending on the cause of termination:

18.1 <u>Expiry of the term of the Agreement</u>: this Agreement shall terminate at expiry of its original term or renewed term in accordance with clause 17. If the Agreement is terminated in accordance with clause 17 por encima de, the Shareholders may continue to participate in the Company, and their relations as shareholders of the Company will be regulated in accordance with the law and the By-laws.

18.2 Mutual written agreement of the Parties: this Agreement may be terminated by mutual agreement of the Parties, in which case the conditions for such termination will be those agreed by the Parties.

18.3 Dissolution of que Company: if the Shareholders resolve, in accordance with clause 17.2(b), to dissolve and liquidate the Company, this Agreement shall terminate and each of the Syndicated Shareholders hereby grant an irrevocable call option for the purchase of all Syndicated Shares to FF, who accept and acquire said option, and the purchase price should correspond to the nominal value of the Syndicated Shares. Additionally, FF will have the right to keep the name of the Company as long as it remains in operation.

18.4 Material Breach: the Agreement will terminate at the decision of the non-breaching Shareholder due to any breach of this Agreement that (i) cannot be remedied (it being understood that a breach may be remedied only if any detrimental consequences of the breach disappear as completely as if the breach had never occurred); or (ii) where it may be remedied, it has not been remedied or rectified within sixty (60) days from delivery of written notice to the Breaching Shareholders (a "**Material Breach**").

For the purpose of this Agreement, the following circumstances will always be considered Material Breaches:

a) Breach of the Permanence Period pursuant to clause 5.3(c) of this Agreement.

b) Breach of the restrictions and obligations on Transfer of shares set forth in clause 8 of this Agreement.

c) Breach of the non-compete obligations set forth in clause 15.1 of this Agreement.

d) Subject to AML/KYC and operational availability, a material breach of FF's undertakings established in this Agreement concerning supply of the Technology, know-how, and any other goods or services, or equipment and guarantee maintenance. For the purposes of this paragraph, the Parties agree that provided that FF has agreed with the relevant clients on the commercial terms for the supply, a breach by FF of its supply obligations

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under the relevant agreements due to problems in the supply chains not due to force majeure and which have a negative impact exceeding 30% of the value of such agreement shall be considered a Material Breach of FF.

18.5 Consequences of termination. In the event that the Agreement is terminated by applying the provisions of clause 18.4 por encima de, the following rules will apply:

(a) FF may purchase the Syndicated Shares, in case the Syndicated Shareholders are the breaching Block, which will be obliged to sell them, at a price equal to the fair value of the Shares of the breaching Block based on the Company's fair value and according to pre-agreed valuation metrics set out in **Schedule G** based on both the metrics on the multiples to be applied to the sale of equipment and services, as determined by the Expert, who will be appointed by the non-breaching Block (which fees shall be borne equally by the Shareholders), considering the Company's debt, including all amounts due under the Participating Loan at the date of the exercise of the call option established in this section, and reduced by thirty per cent (30%), within sixty (60) Business Days from the day following the date the FF Block gives the Syndicated Block notice of termination of the Agreement.

(b) The Syndicated Shareholders may sell the Syndicated Shares to FF, in case FF is the breaching Block, which will be obliged to purchase them, at a price equal to the fair value of the Shares of the breaching Block based on the Company's fair value and according to pre-agreed valuation metrics set out in **Schedule G** based on both the metrics on the multiples to be applied to the sale of equipment and services, as determined by the Expert, who will be appointed by the non-breaching Block (which fees shall be borne equally by the Shareholders), increased by thirty per cent (30%), within sixty (60) Business Days from the day following the date the Syndicated Block gives the FF Block notice of termination of the Agreement.

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As an exception to the general regime provided for in Article 1152 of the Civil Code, the price reduction or increase provided for in this clause will be in addition to the indemnity for damages that may result from the breach.

Given the serious nature of the consequences of breaching this Agreement, the Parties expressly agree that this penalty will be applied in full and that there will be no mitigation of the penalty by the arbitration court mentioned in Clause 28 in view of the degree of breach or any other circumstance.

For the purposes of this paragraphs, clauses 8.9(f), 8.9(g) and 8.9(h), on procedure and formalization of the sale of the Syndicated Shares, will be applicable *mutatis mutandis*.

19. Confidentiality

19.1 In this Agreement, Confidential Information means: (i) all information exchanged between the Parties and between them and other entities (public or private) during the execution of this Agreement, whether written or oral and in whatever form, including studies and technical, economical, commercial, financial or legal documents; (ii) the existence and contents of this Agreement; and (iii) all confidential or proprietary information (however recorded or preserved) relating to the Business and the Technology, or any company that is (or was at the date of this Agreement) in the FF Group, that is directly or indirectly disclosed or made available (in any form or medium) to the Syndicated Shareholders or any of its representatives by any agent, officer or employee of the FF Group or which comes to the Syndicated Shareholders' attention whether before, on or after the date of this Agreement; and (iv).

19.2 The Parties hereby undertake to keep the Confidential Information secret and confidential and not to disseminate, wholly or partially, the Confidential Information to any third parties and to make their employees, advisors or subsidiary companies to protect the confidential information from further disclosure to the same extent as each Party is obligated under this clause.

19.3 The following information shall not be deemed Confidential Information:

(a) By agreement between the Parties or if such information shall be used as evidence in legal or arbitration proceeding between the Parties.

(b) When and insofar as such information has to be disclosed by one of the Parties whether by law or pursuant any judicial or administrative decision.

(c) Information supplied to advisors, banks, lenders or consultants that have a legitimate business need to be informed and have signed an agreement (or are otherwise bound by obligations of confidentiality) to protect the Confidential Information from further disclosure to the same extent as each Party is obligated under this clause.

19.4 Each Party acknowledges that some or all of the Confidential Information may be unpublished, price-sensitive information and it is aware of the obligations relating to such information under the applicable law and regulations.

19.5 If one of the Parties reasonably believes it is required to disclose any confidential information, this Party shall promptly notify the other of such requirement so that this Party may seek appropriate protective order or waiver of compliance with the provisions of such law or rule.

20. FF compliance and AML/KYC obligations

20.1 The Syndicated Shareholders are aware that FF is a listed company (NASDAQ) and is also required to comply with the laws, rules and regulations in force in the United States of America and Ireland (as mentioned in the following paragraphs).

20.2 The Parties acknowledge that, for the purposes of confirming the eligibility of the Syndicated Shareholders to enter into this Agreement, FF conducted a due diligence on the Syndicated Shareholders regarding bribery, money laundering, and terrorism financing and corrupt practices in a manner satisfactory to FF.

20.3 Considering the application of the United States Foreign Corrupt Practices Act of 1977 (the "**FCPA**"), which among other things prohibits the payment or giving of anything of value either directly or indirectly by a U.S. company to an official of a foreign government for the purpose of corruptly influencing an act or decision in his official capacity, or corruptly inducing him to use his influence with the foreign government, to assist an entity as a company or a joint venture in obtaining or retaining business for or with, or directing business to, any person, FF commits to provide training to the Syndicated Shareholders and to their

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respective officers, directors and employees, so that they do not take any willful action in violation of the FCPA.

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20.4 AML/KYC.

(a) In compliance with the relevant rules and regulations under the Applicable Law concerning the fight against money laundering and terrorism financing, FF is required to undertake and compile a complete due diligence report on its partners, clients and customers. All information to be obtained include, but are not limited to, the nature of business, its ultimate beneficial owner(s), the origin of the funds used within the relevant structure and more generally any other information which FF is or may be required under applicable law(s) to collect, update or maintain for the KYC file.

(b) The Syndicated Shareholders acknowledges that FF is subject to very stringent anti-money laundering regulations in the Relevant Jurisdiction and therefore that it has the obligation to identify the ultimate beneficial owner(s) before providing any service or good.

(c) The Syndicated Shareholders, and the directors appointed by them, undertake to provide FF on first demand and without delay with any reasonable document and/or information necessary for FF (i) to fulfil its identification obligations, particularly in respect to the identity of each shareholder, partner or client and or persons controlling the same and its ultimate beneficial owners, and (ii) to form its own opinion about the activity carried out by them.

(d) The Syndicated Shareholders acknowledge that the funds used by the shareholders, partners and clients cannot have a criminal origin of whatever nature, and in particular do not constitute the proceeds of money laundering or terrorism. In such respect, they undertake to cause the Company to make proper KYC/AML checks on all projects, partners and clients prior to engaging in commercial relationships with them.

(e) For the purposes of this clause, (i) Applicable Laws means the laws, statutes, regulations, decrees, mandatory orders and rules applicable in the jurisdictions where FF and any of its group of companies are incorporated

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and operating business; and (ii) Relevant Jurisdiction means the United States of America and the Republic of Ireland.

21. Referral fees

21.1 Notwithstanding that set forth in the Commercial Terms, the Parties agree that the Syndicated Shareholders may procure prospective clients for the development of hydrogen projects outside Spain in jurisdictions in which FF has no direct or indirect activity (namely, through local partnerships, agents or other forms of business cooperation). However, the beginning of any commercial contacts with these prospective clients must be submitted for FF's prior approval, who shall communicate the Syndicated Shareholders by reasoned notice, within fifteen (15) days from their request, the approval or rejection of the relevant prospective client. If the fifteen (15) day period expires without FF having responded to the Syndicated Shareholders' communication, the Syndicated Shareholders shall contact FF again and follow up on the matter, and FF shall have an additional fifteen (15) day period to approve or reject the relevant prospective client. Lack of response by FF within said additional 15-day period after follow-up by FF shall be deemed as acceptance by FF of the relevant prospective client.

If a prospective client is rejected by FF, the Parties undertake to use their best efforts so that, should that prospective client be acceptable for FF for activities different from the Business, the Syndicated Shareholders can participate in the negotiations and establish trade links with such prospective client.

21.2 If FF approves a prospective client and the corresponding project, the Syndicated Shareholders shall, within a maximum period of three (3) months from the date of approval, define the main terms and conditions for the business relationship with the prospective client by signing a memorandum of understanding. Following the signature of this memorandum, the Syndicated Shareholders have an exclusivity period of (9) nine months or for the term of the relevant memorandum of understanding, as applicable, during which period they must formalize this commercial relationship by signing the corresponding definitive contracts for the development of a project.

21.3 Should the Syndicated Shareholders fail to enter into an MOU or fail to enter into definitive contracts in the time periods set above, they will have no rights to any

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referral fees and FF is free to enter into dealings with the same prospective client for the same or other projects directly or with other partners.

21.4 Provided that the Syndicated Shareholders formalize the business relationship with a particular prospective client by signing the corresponding definitive contracts for the development of a project, the Syndicated Shareholders shall be entitled to a referral fee in respect to the approved project, corresponding to the percentage negotiated and agreed upon with the relevant client and previously agreed upon between the Syndicated Shareholders and the relevant FF entity (for the avoidance of doubt, the referral fee due to the Company is applicable project by project).

22. Interim measures

22.1 Breach of this Agreement could cause irreparable damage to the non-breaching Shareholder(s) that would not be fully compensated by the means provided under this Agreement. Consequently, the Shareholders agree that, in the event of breach of the Agreement, it would be essential for the non-breaching Shareholder(s) to obtain interim measures immediately, to defend its rights.

Therefore, and without prejudice to its right to terminate the Agreement and claim the indemnity provided under this Agreement, the non-breaching Shareholder(s) will be authorized to seek interim measures before any court or authority.

23. Deed of record and notarization of annexes. Transitional governance

23.1 Due to the restrictions caused by the Covid-19 pandemic, the Parties agree that it will not be possible to execute this Agreement as a public deed ("*elevación a público*") at this date. Therefore, the Parties execute this Agreement on the date hereof in counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, shall be considered one and the same agreement, with the Parties undertaking the obligation of placing this Agreement on public record and delivering its signed annexes to the notary public of Madrid, at Calle de Serrano, 27, 28001 Madrid, D. Javier Sánchez-Gardeazabal, or another notary public of Madrid that may be agreed by the

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Parties, for its execution as a public deed ("*elevación a público*") at a date to be agreed by the Parties, but not later than October 31, 2021.

23.2 The Parties further agree that from today and until the execution of the Public Deed, the Company will be managed by two joint directors ("*consejeros mancomunados*"), one appointed by FF and the other by the Syndicated Shareholders, who shall jointly manage the Company being necessary their joint signature and approval for all management decisions and actions.

23.3 On the date of notarization of this Agreement, the Parties shall approve all shareholders resolutions and cause the execution of the relevant public deeds that may be necessary or convenient to: (i) appoint a Board of Directors according to the provisions of clause 5 of this Agreement, and (ii) adapt the Company's by-laws to this Agreement substantially in the form attached as **Schedule B**, namely to include, among others, a regulation of the board of directors and appointment of its members according to the provisions set out in this Agreement.

23.4 Other than as agreed in the paragraphs 23.1 and 23.2 above, the provisions of this Agreement shall enter into effect and be fully binding and enforceable against the Parties from this date according to its terms.

24. Assignment

24.1 No Party can assign the rights and obligations arising from this Agreement to third parties without the other Parties' prior written consent.

24.2 However, for clarity, the Parties acknowledge that the assignment of the rights and obligations arising from this Agreement is authorized to the acquirer of shares, provided that the Transfer of the shares is carried out in accordance with the provisions of this Agreement and the acquirer agrees to abide by the provisions of this Agreement by signing the Declaration of Adherence.

24.3 Additionally, the Parties acknowledge that FF is entering into this Agreement on an *intuitu personae* basis, that is, that the current management, commitments and the ultimate shareholders of the Syndicated Shareholders are essential for FF to enter into this Agreement. Therefore, FF's undertakings established in this Agreement concerning exclusivity, including those set forth in clause 13.5, and notwithstanding clauses 8.3(g) and 8.6(j), will terminate and cease to apply

automatically and immediately upon the Syndicated Shareholders ceasing to be shareholders of the Company and/or assigning their respective contractual positions in this Agreement to third parties.

25. Notifications and communications

25.1 All notices and communications to be made between the Parties under the terms of this Agreement shall be made in writing to the addresses of the Parties indicated herein or to another address that any Party may, by notice in writing to the other Parties, indicate.

25.2 Such notices and communications shall be deemed received at these addresses on the date written on the recorded delivery document if received during business hours (that is, between 8h and 17h on a Business Day) or on the following Business Day if not.

25.3 For the purposes of this Clause, notices shall be addressed and sent to:

(a) **GREATREX FAMILY ENTERPRISES, LDA**

(i) Address: Rua Latino Coelho, 87, 1050-134 Lisboa

(ii) Tel: 0034680354705

(iii) Email: ggreatrex@macgroup.es

(b) **EREE Desarrollos Empresariales SL.**

(i) Address: Calle Valle del Tormes 2, Local 44, 28660 Boadilla del Monte, Madrid, Spain

(ii) Tel: 0034630927635

(iii) Email: jeb@eree.es

(c) **Fusion Fuel SA**

(i) Address: Rua da Fábrica s/nº Sabugo, Sintra, Portugal.

(ii) Tel: + 351 918 786 737

(iii) Email: jwahnon@fusion-fuel.eu

26. Costs and Taxes

26.1 The Parties will bear the costs and taxes derived from negotiating, executing and performing this Agreement, as follows:

(a) The Parties will bear equally the expenses arising from executing this Agreement before a notary public.

(b) Fees for consultants, auditors and other professionals will be borne by the Party that contracted the service in each case.

(c) Taxes resulting from executing and performing this Agreement will be borne by the Parties, in each case, in accordance with applicable law.

27. Interpretation

27.1 *Headings:*

The headings and index used in this Agreement are for reference purposes only and will not be deemed to affect its interpretation.

27.2 *Supremacy:*

If conflict arises between the content of a supplementary document or a Schedule and the content of the clauses of this Agreement, the content of this Agreement will always prevail.

27.3 *Schedules and Amendment:*

(a) All Schedules form an integral part of this Agreement and have the same validity and effect as if they were incorporated into the text of this Agreement.

(b) Changes to this Agreement are to be made in writing and signed by the Parties.

28. Law and Jurisdiction

28.1 This Agreement shall be governed exclusively by the laws of Spain.

28.2 In case of any dispute regarding the execution, interpretation, application or integration of this Agreement, the disputing Parties must use their best

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endeavours to obtain a consensual solution, arranging meetings with the representatives of the disputing Parties empowered to reach an agreement.

28.3 Any dispute that the Parties do not resolve in accordance with the paragraph 28.2 above shall be subject to the decision of three (3) arbitrators, with the administration of the arbitration to be referred to the Madrid International Arbitration Centre (**MIAC**), in accordance with its By-laws and Rules in force at the date when the request for arbitration is filed.

28.4 The place of the arbitration shall be Madrid (Spain). The language of the arbitration shall be English.

28.5 The Arbitration shall be in Law.

29. Several

29.1 If any provision of this Agreement or the application of any such provision to any person or circumstance shall be held invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, provided that the purpose or economy of this Agreement is not affected.

29.2 This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof.

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in counterparts by their respective duly authorized representatives.

GFE

DocuSigned by:
Grant Greatrex
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EREE

DocuSigned by:
Javier Esteban
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FF

DocuSigned by:
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FFP

DocuSigned by:
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DocuSigned by:
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JAVIER ESTEBAN

DocuSigned by:
Javier Esteban
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GRANT GREATREX

DocuSigned by:
Grant Greatrex
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IGNACIO ESTEVE

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FFS

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DocuSigned by:
Javier Esteban
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MVB

Promissory Sale and Purchase Agreement
of real estate property located in Benavente
"Fusion Factory"

BY AND BETWEEN

FUSION FUEL PORTUGAL, S.A.

as Promissory Seller

AND

SCPI CORUM EURION- SUCURSAL EM PORTUGAL

as Promissory Purchaser

AND

FUSION FUEL GREEN PLC.

as guarantor

Lisbon, 16 December 2022

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THE PARTIES

I. **FUSION FUEL PORTUGAL, S.A.**, with registered office at Rua da Fábrica, without number, Sabugo, Almargem do Bispo, Pêro Pinheiro e Montelavar, Sintra, Portugal, registered with the Commercial Registry Office under the sole tax identification and registration number 514909439, with a share capital of EUR 50,100.00, herein represented by Carlos André de Melo Pinheiro Antunes, in his/her capacity as Director (the "**Promissory Seller**"); and

II. **SCPI CORUM EURION - SUCURSAL EM PORTUGAL**, with registered office at Avenida da Liberdade, 240, 1st floor, Lisbon, Portugal, registered with the Commercial Registry Office under the sole tax identification and registration number 980721776, which is an affiliate of **CORUM EURION**, with registered office at 1 Rue Euler, 75008, Paris, France, registered in the respective commercial registry office under the number 880811567, with the share capital of EUR 4,527,680.00, herein represented by Miguel Valente Bento, in his capacity as attorney-in-fact (the "**Promissory Purchaser**".

III. **FUSION FUEL GREEN plc**, a plc incorporated under the laws of the Republic of Ireland, with registered offices at The Victorians, 15 - 18 Earlsfort Terrace, Saint Kevin's - Dublin 2, Ireland], registered with the Commercial Registry Office under the sole registration 669283 and taxpayer number 3697262DH, with the share capital of EUR 25.000,00 and USD 11.212,50, herein represented by Jaime Domingos Ferreira da Silva, in his/her capacity as Director (the "**Guarantor**");

The Promissory Seller and the Promissory Purchaser shall hereinafter be jointly referred to as the "**Parties**" and each of them individually as "**Party**".

WHEREAS

I. The Promissory Seller is the sole owner and lawful possessor of the urban property (*prédio urbano*) located at Zona Industrial de Vale Tripeiro - Plot 10 - I / J / K / L / M / N / O (Benavente - Portugal), in the parish of Benavente, Municipality of Benavente, described at the Land Registry Office of Benavente under number 3827 of the referred parish and inscribed with the Tax Authorities under article 5997 of the same parish (copy of the land registry excerpt and tax certificate of the Property are attached hereto as **Schedule 1**) (the "**Property**").

II. The use permit no. 32/04 was issued by the municipality of Benavente on 22 March 2004 (the "**Use Permit**"), copy of which is attached to this Agreement as **Schedule 2**.

III. The Promissory Seller undertakes to deliver to the Promissory Purchaser, prior to Completion Date, the energy and air quality certificate issued for the Property.

IV. Pursuant to the terms and subject to the conditions set forth hereunder, the Promissory Purchaser intends to purchase from the Promissory Seller and the Promissory Seller intends to sell to the Promissory Purchaser, the Property within the framework of a sale and leaseback transaction (the "**Transaction**").

V. The Promissory Purchaser has agreed with the Promissory Seller that the latter shall continue to occupy the Property pursuant to the Lease Agreement to be executed with the execution of the sale and purchase deed pursuant to the terms set out in this Agreement between the Promissory Purchaser and the Promissory Seller according to the draft attached hereto as **Schedule 3**, which shall come fully into effect on the date of execution of the Deed.

Now, therefore, the Parties agree to enter into this promissory sale and purchase agreement in respect of the Property (the "**Agreement**"), which shall be governed by the above Recitals and by the following

CLAUSES

1. DEFINITIONS AND INTERPRETATION

1.1 DEFINITIONS

Capitalised terms used in this Agreement (including in the Recitals above) shall have the meanings set forth following the use of such terms or the meaning defined hereunder, unless the contrary results of the wording of the Agreement or of the context in which such terms are used:

"Agreement"	means this promissory sale and purchase agreement.
"Business Day"	means a day (other than a Saturday or a Sunday or a public holiday (either national or municipal)) on which banks are open to the public in Lisbon (Portugal) and Paris (France).
"Completion Date"	means the date on which the Deed is executed and the Property is therefore fully transferred by the Promissory Seller to the Promissory Purchaser under the terms of this Agreement and the Deed and the Lease Agreement is entered into.
"Confidential Information"	has the meaning given to it in Clause 11.1.
"Deed"	means the public deed of sale and purchase of the Property to be entered into by and between the Parties under the terms and conditions of this Agreement.
"Lease Agreement"	means the lease agreement to be entered into on Completion Date by and between the Promissory Seller, as tenant, and the Promissory Purchaser, as landlord, the agreed version of which is attached hereto as in **Schedule 3**.
"Misrepresentation"	means the event where any of the Parties' representations and warranties is found to be, in whole or in part, false, incomplete, misleading or inaccurate.
"Post-Completion Actions"	has the meaning given to it in Clause 6.
"Property"	has the meaning given to it in Recital I.
"Purchase Price"	means the total cash consideration for the Property to be paid to the Promissory Seller under the terms and conditions set forth in Clause 3.

1.2 INTERPRETATION

Without prejudice to the general rules of interpretation applicable in accordance with the Portuguese law, and except as expressly provided for in this Agreement, or as the context otherwise requires, the following rules of interpretation apply to this Agreement:

(A) References to the singular include a reference to the plural and vice versa;

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(B) References to Recitals, Clauses, Paragraphs and Schedules are references to recitals, clauses, paragraphs and schedules to this Agreement;

(C) References to a "company" shall be construed so as to include a company, corporation or other corporate body, wherever and however incorporated or established;

(D) References to days (if not to Business Days) refer to calendar days;

(E) Any reference to a law includes the reference to that law as amended, modified or re-enacted;

(F) The table of contents and the descriptive headings (both in the clauses of this Agreement and in the captions of the Schedules) are used for convenience only and shall not be deemed relevant for the purposes of interpretation of this Agreement;

(G) The Schedules form an integral part of this Agreement and have the same legal effect as if their provisions were set out in the body of this Agreement; any reference to this Agreement shall include the Schedules;

(H) The words "include", "including," "in particular" or variations thereof, shall not be deemed to be terms of limitation, but rather shall be deemed to be followed by the words "without limitation";

(I) The words such as "herein", "hereinafter" "hereof" and "hereunder" refer to this Agreement as a whole and not merely to a subdivision, in which such words appear unless the context otherwise requires.

(J) Where the last day for the performance of an obligation or exercise of a right under this Agreement falls on a day which is not a Business Day, the end of such term shall be extended to the next Business Day.

2. SALE AND PURCHASE

Subject to the terms and conditions set forth hereunder, the Promissory Seller hereby promises to sell, transfer and deliver the Property to the Promissory Purchaser and the Promissory Purchaser hereby promises to purchase the Property from the Promissory Seller, free and clear of all and any liens and encumbrances, responsibilities and third party rights, save for the Lease Agreement.

The Parties clarify that the execution of the Lease Agreement together with the Deed is an essential condition for either Party to enter into this Transaction, without which neither Party would have wanted to enter into the Transaction.

3. PURCHASE PRICE AND PAYMENT

3.1 PURCHASE PRICE

The Purchase Price due in consideration for the acquisition of the Property is EUR 9,325,000.00 (nine million three hundred and twenty five thousand euros).

3.2 PAYMENT OF THE PURCHASE PRICE

Without prejudice to the set-offs to be made under Clause 5.5 below, on Completion Date, the Promissory Purchaser shall pay to the Promissory Seller the Purchase Price, deducted from the Holdback Amounts mentioned in Clause 6.4. The payments shall be made either through bank cheque issued in favour of the Promissory Seller or by means of bank transfer to the bank account of the Promissory Seller opened in bank BPI with the following IBAN PT50 0010 0000 58983700001 71.

4. PRE-EMPTION RIGHTS

4.1 PRINCIPLES AND PRE-EMPTION NOTICE

The Parties acknowledge that it is a legal and essential condition for the execution of the Deed in respect of the Property for the Promissory Seller to have obtained a decision, either express or tacit, from the public entities holding a legal pre-emption right, that they will not exercise such pre-emption rights. For these purposes, "decision" shall mean that public entities holding a legal pre-emption right have not explicitly exercised their pre-emption rights over the Property up to the elapsing of the applicable legal term for the exercise of such pre-emption rights.

The Promissory Seller served the pre-emption notice to the relevant public entities through the *Casa Pronta* website on 30 November 2022.

The Promissory Seller shall promptly provide the Promissory Purchaser with copies of:

(A) The documents issued by the public entities entitled to a pre-emption right that evidence the non-exercise of their relevant pre-emption rights (notably the confirmation at the *Casa Pronta* website that none of the public entities has exercised the pre-emption right within the relevant term);

(B) Any replies, letters or writings the Promissory Seller may receive from the notified entities.

4.2 CONSEQUENCES OF THE EXERCISE OF A PRE-EMPTION RIGHT

In the event that an entity benefiting from a pre-emption right exercises such pre-emption right in relation to the Property, this Agreement shall be automatically terminated, no amount being owed by any Party to any other Party.

5. COMPLETION

5.1 DEED

The Deed is scheduled for 20 December 2022, at the office of the Promissory Purchaser's lawyers located at Praça Marquês de Pombal, 12, Lisbon.

Each Party shall promptly and mutually provide to the other Party upon request all documents reasonably requested by them or by the notary for the execution of the Deed.

The definitive handover (*tradição*) of the Property shall only occur upon execution of the corresponding Deed.

5.2 COMPLETION ACTIONS

5.2.1 Actions to be carried out by the Parties

On Completion Date, the Promissory Seller and the Promissory Purchaser will perform the following acts:

(A) The Parties will execute the Deed, pursuant to which, inter alia, the Promissory Seller will sell to the Promissory Purchaser, and the Purchaser will purchase from the Seller, the Property;

(B) The Parties will enter into the Lease Agreement, in accordance with the agreed form attached hereto as **Schedule 3**.

5.2.2 Actions to be carried out by the Seller

On Completion Date, the Promissory Seller shall deliver to the Promissory Purchaser:

(A) The original or certified copy of the Use Permit of the Property;

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(B) The energy and interior air quality certificate issued in respect of the Property; and

(C) All other documents related with or pertaining to the Property that are in the Promissory Seller's possession as requested by the Promissory Purchaser, in accordance with the list included hereto as **Schedule 7.**

5.2.3 Simultaneous nature of actions performed on Completion Date

All the actions referred in this clause are reciprocally dependent and shall take place on Completion Date as simultaneously as practical. The Parties expressly acknowledge and agree that the performance of all actions provided in Clauses 5.2.1 and 5.2.2 on Completion Date is an essential obligation under this Agreement and that none of them will be held to have been performed until each and every action has been completed.

5.3 COSTS AND EXPENSES

5.3.1 Taxes, debts, liabilities and expenses

Any taxes, debts, liabilities or expenses (including, without limitation, Municipal Tax Over Real Estate Assets – *Imposto Municipal sobre Imóveis* –in relation to the Property, due or relating to a period prior to the Completion Date (exclusive), including the potential increase of municipal property tax (IMI) for the past years as a result of the update of the tax registered value (notably in case of an update of the registered areas of the Property), and fines shall be exclusively borne by the Promissory Seller, regardless of the date on which the latter became aware of its existence, or the date on which such payment obligations are assessed or accrued. The Promissory Seller shall also be exclusively liable for any taxes, debts, liabilities or expenses in relation to the Property due or relating to a period after the Completion Date (inclusive) during which the Lease Agreement is in force.
The Parties further agree that the Promissory Seller shall provide to the Promissory Purchaser prior to the date of execution of the Deed proof of payment of all installments of the municipality property tax due in 2022.

5.3.2 Set-Off

The Purchase Price to be paid by the Promissory Purchaser to the Purchaser Seller on Completion Date will be set off with the amounts due by the Promissory Seller (as tenant) to the Promissory Purchaser (as landlord) on such date under the Lease Agreement.

The Promissory Seller shall provide the Promissory Purchaser with the updated calculation of the amounts to be set-off with the Purchase Price substantially according to the format of the document attached as <u>**Schedule 4**</u>, at least 5 (five) Business Days prior to the Completion Date.

5.3.3 Costs and expenses related to the deed

All costs and expenses incurred with the execution of the Deed below shall be borne by the Promissory Purchaser.

Payment of property transfer tax (*Imposto Municipal sobre as Transmissões Onerosas de Imóveis* – IMT) and stamp duty (*Imposto do Selo*) regarding the execution of the Deed will be due by the Promissory Purchaser.

6. POST-COMPLETION ACTIONS

6.1 POST-COMPLETION ACTIONS

The Parties acknowledge that the Promissory Seller holds, and will continue to hold after Completion Date, an umbrella insurance policy that covers not only the Property but also other assets as well as the activity of the Promissory Seller. Given that, as from Completion Date, the Promissory Purchaser will also have a property insurance policy in place, the Property will temporarily benefit from two insurance policies. Therefore, the Promissory Seller hereby acknowledges and undertakes that, in case of damage affecting the Property and while the Promissory Seller is not able to replace such insurance policy by a multi-risks insurance policy as tenant of this Property to be hired and kept in force pursuant to the terms of the Lease Agreement, the insurer of the Promissory Seller's insurance policy will not make any claim to the insurer hired by the Promissory Purchaser as from Completion Date in relation to the Property's insurance policy.

The Promissory Seller undertakes, at its own expense, to carry out each and every one of the following post-completion actions (the "**Post-Completion Actions**") in the form and within the time periods indicated below:

(A) to conduct the legalisation procedures with the Municipality of Benavente regarding the construction works carried out in the Property relative to (i) the additional area of circa 700 sq.m. (which was identified by the Municipality of Benavente in the context of the inspection report (*auto de vistoria*), dated 10 May 2022) better identified in the plan attached as **Schedule 8** and (ii) the security house also better identified in the plan attached as **Schedule 8**, and to obtain the corresponding use permit(s) (*alvará(s) de utilização*) for the Property following the completion of the legalisation procedures, paying the corresponding taxes to the municipality as these may be due.

In case the new use permit(s) is/are not issued by the Municipality before 31 March 2023 , or in case the Municipality refuses the licensing of the same before said dates, the Promissory Seller undertakes to demolish the mentioned unlicensed areas within (*a*) the corresponding deadline as required by the Municipality of Benavente or (*b*) within 4 months, whichever occurs first, being liable for the corresponding licensing procedures if due and payment of all costs;

(B) following the issuance of the new use permits mentioned in the preceding paragraph, the Promissory Seller undertakes to correct the areas of the Property with the Land Registry Office and the Tax Authorities, in order for the areas indicated in the land registry excerpt and in the tax certificate of the Property to duly reflect the mentioned areas identified in **Schedule 8**.

In case the new use permit(s) is/are not issued by the Municipality pursuant to the terms set forth in the preceding paragraph, this Post-Completion Action will no longer be due by the Promissory Seller. Deadline for satisfaction of this Post-Completion Action: within 3 months following the issue of the new use permit(s);

(C) to perform the works better described in **Schedule 9**. Deadline for satisfaction of this Post-Completion Action: the partial deadlines provided in said **Schedule 9**;

(D) to provide the Promissory Purchaser with the following technical documents until the end of January 2023: MAPS final version signed off for the Property;

(E) to provide the Promissory Purchaser with the following licensing documents within one year from the Completion Date: allotment permit, the construction license and construction permit (*licença de construção e alvará de construção*), approving the current layout of the Property.

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In case the Promissory Seller does not provide the Promissory Purchaser with the documentation identified in (E) above within the term established therein, within 10 Business Days counted from the end of the term the Promissory Seller shall pay the Promissory Purchaser a fixed penalty in the amount of EUR 15,000.00.

The Promissory Seller will carry out the Post-Completion Actions in a diligent and proactive manner so as to seek satisfaction of the same as soon as reasonably possible and, once the same are completed, will provide satisfactory evidence thereof to the Promissory Purchaser.

6.2 COOPERATION

The Promissory Purchaser undertakes, to the extent permitted by law, to co-operate with the Promissory Seller in good faith and to provide all reasonable assistance to the Promissory Seller with a view to satisfying the Post-Completion Actions.

The Parties agree that all requests and enquiries from any public authority, municipality or body which relate to the satisfaction of the Post-Completion Actions shall be dealt with by the Promissory Seller and the Promissory Purchaser in consultation with each other and the Promissory Seller and the Promissory Purchaser shall promptly co-operate with and provide all necessary information and assistance reasonably required by public authority, municipality or body upon being requested to do so by the other.

6.3 SPECIFIC INDEMNITY

The Promissory Seller shall indemnify and keep the Promissory Purchaser harmless from any damages and losses arising from the non-execution by the relevant deadline or from the defective execution by the Promissory Seller of the Post-Completion Actions set out in Clause 6.1.

6.4 PRICE RETENTION AMOUNTS

Simultaneously with the execution of the Deed, with the aim to secure compliance with the Post Completion Action obligation set out in Clause 6.1(C) related to the execution of the works (the "**Holdback Amounts**") the Promissory Purchaser shall retain, from the Purchase Price, the amount of EUR 926,082.62.

Every six months counting from the anniversary date of the Completion Date, the Parties, together with the technical consultant appointed by the Promissory Purchaser Gleeds (or any other third party appointed by the Promissory Purchaser to that end) will assess the works and/or repairs performed during the previous six-month period by the Promissory Seller from the list attached as **Schedule 9** and upon assessment of the works carried out during that period, the corresponding amounts will be released by the Promissory Purchaser accordingly to the Promissory Seller, the Holdback Amount being therefore gradually reduced. Such amounts shall be paid by the Promissory Purchaser to the Promissory Seller's bank account identified in Clause 3.2 above within 10 days after signing by the Parties of a delivery report (*auto de entrega*) confirming the completion of the corresponding works.

In the event that, at any six-month period, the Promissory Seller has not progressed on the execution of the works, it shall give written notice thereof to the Promissory Purchaser and the Parties shall waive to the inspection and delivery report on the end of such six-month period.

For the avoidance of doubt, the amounts indicated in **Schedule 9** for each item are merely indicative and served as basis for the calculation of the Holdback Amounts but do not limit in any way the Seller's liability for completing those works, the Promissory Seller remaining fully liable for completion of the works and bearing the corresponding cost in full regardless of any potential price variations that the same may suffer.

In the event that any of the works are not completed by the Promissory Seller within the respective deadline provided in **Schedule 9**, the corresponding retained amount as better identified in **Schedule 9** will be definitively kept by the Promissory Purchaser, such retention not being deemed as a purchase price reduction but rather as a set off with the compensation that is due by the Promissory Seller to the Promissory Purchaser for failure of completion of the works.

If for any reason the Lease Agreement terminates before its term and by the time of termination the Promissory Seller still benefits from any guarantees or warranty periods of any of the works provided in **Schedule 9** which are still valid and in force, the Promissory Seller will ensure the assignment of the benefit of such guarantees to the Promissory Purchaser.

7. REPRESENTATIONS AND WARRANTIES

7.1 PROMISSORY SELLER'S REPRESENTATIONS AND WARRANTIES

The Promissory Seller hereby make the representations and warranties set forth in **Schedule 5** in favour of the Promissory Purchaser, which are true, accurate and not misleading, and of essence for the Promissory Purchaser's will to enter into this Agreement ("**Promissory Seller's Representations and Warranties**").

7.2 PROMISSORY PURCHASER'S REPRESENTATIONS AND WARRANTIES

The Promissory Purchaser hereby makes the representations and warranties set forth in **Schedule 6** in favour of the Promissory Seller, which are true, accurate and not misleading, and of essence for the Promissory Seller's will to enter into this Agreement ("**Promissory Purchaser's Representations and Warranties**").

7.3 REPETITION

The Representations and Warranties shall be deemed (i) made on the date hereof, and (ii) repeated on Completion Date, by inclusion in a complementary document to the Deed.

8. DAMAGES

8.1 DAMAGES FOR BREACH OF THIS AGREEMENT OTHER THAN A BREACH OF REPRESENTATIONS AND WARRANTIES

In the event that the Promissory Seller definitely breaches this Agreement and fails to execute the Deed, the Promissory Purchaser shall be entitled to terminate this Agreement and to receive from the Promissory Seller a compensation equal to 10% of the Purchase Price, no other amounts being due for any reason whatsoever.

In case the Promissory Purchaser definitely breaches this Agreement and fails to execute the Deed, the Promissory Seller shall be entitled to terminate this Agreement and to receive from the Promissory Purchaser a compensation equal to 10% of the Purchase Price, no other amounts being due for any reason whatsoever.

For the avoidance of doubt, if any of the Parties fails to execute the Lease Agreement simultaneously with the Deed, that will be deemed a definitive breach of this Agreement and the Parties will therefore not execute the Deed.

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Alternatively, any of the Parties may resort to the specific performance regime (*execução especifica*) of this Agreement as set forth under article 830 of the Portuguese Civil Code (*Código Civil*), provided that the Lease Agreement is also entered into.

The Parties' obligations under the Agreement shall be deemed as having been definitively breached when any of the Parties does not comply with any duty it undertook hereunder and such default situation (i) is not remediable; or (ii) is not cured within 10 (ten) Business Days counted from receipt of the notice sent by the non-defaulting party for said purposes.

8.2 DAMAGES DUE BY THE PROMISSORY SELLER OR BY THE PROMISSORY PURCHASER IN THE EVENT OF A MISREPRESENTATION

The Promissory Seller shall be liable to the Promissory Purchaser for any damage and losses arising for the Promissory Purchaser as a result of a Misrepresentation.

The Promissory Purchaser shall be liable to the Promissory Seller for any damage and losses arising for the Promissory Seller as a result of a Misrepresentation.

In case the Misrepresentation occurs before the execution of the Deed, the Promissory Seller shall have a period of 10 (ten) days counted from the claim notice to remedy the situation by Completion Date (which is extended accordingly, if necessary). If the Misrepresentation is only detected after the execution of the Deed, the Promissory Purchaser may claim compensation from the Promissory Seller for the damage and losses resulting from the Misrepresentation.

In case of a Misrepresentation detected before the execution of the Deed, which is not remedied within the cure period mentioned in the preceding paragraph, the Promissory Purchaser is entitled to, at its sole discretion, (i) terminate this Agreement, in which case Clause 8.1 applies, unless the Misrepresentation does not relate to title or encumbrances over the Property and has not been caused by an action or omission of any of the Promissory Seller; or (ii) proceed with the execution of the Deed, being the Promissory Purchaser nevertheless entitled to claim from the Promissory Seller a compensation for damage and losses due to a Misrepresentation as set forth in this clause to be settled on Completion Date.

9. GUARANTEE RELATED TO THE LEASE AGREEMENT

The Guarantor hereby undertakes that on Completion Date it will sign the Lease Agreement as guarantor, with express waiver to the need for prior prosecution of the Promissory Seller as tenant (*com renúncia expressa ao benefício da excussão prévia*), during the entire term of this Agreement and will deliver to the Promissory Purchaser a legal opinion in terms satisfactory to the Promissory Purchaser to be issued by the competent Irish law firm attesting the capacity and powers of the Guarantor and its signatories.

10. INTERIM PERIOD

10.1 MANAGEMENT OF THE PROPERTY UNTIL COMPLETION DATE

Between the date of execution of this Agreement and the Completion Date, the Promissory Seller shall continue to oversee the Property taking the Promissory Seller's best interest into consideration and undertakes not to carry out any acts in relation to the Property (e.g. performance of works or enter into any lease or use agreement), save for management measures that constitute day-to-day management measures (*atos de administração corrente*). The Promissory Seller shall also inform the Promissory Purchaser of any facts that may have a potential impact on the current value of the Property, within 1 (one) Business Day as from being aware of such facts.

If at any time during the interim period, *i.e.*, until the execution of the Deed, a material adverse change occurs in relation to the Property (meaning any event, circumstance, effect, occurrence or state of affairs or any combination thereof which is, or is reasonably likely to be, materially adverse to the Property both physical (damage) or legal (e.g. title) or commercial/income losses (e.g. rental situation)), the Promissory Purchaser will be entitled to terminate this Agreement, no compensation being due by one Party to the other for such reason.

The Guarantor acknowledges that the execution of the Lease Agreement by the Guarantor is an essential condition to the Promissory Purchaser to enter into the Transaction.

11. REAL ESTATE BROKERAGE

The Parties declare that in the transaction provided for in this Agreement, the company Savills Portugal – Mediação Imobiliária, Lda., taxpayer number 505759810, acted as real estate agent, having its registered office at Avenida Miguel Bombarda, nº 4, 7º, Lisbon, holder of estate agency licence (AMI) no. 5446, issued by IMPIC (*Instituto dos Mercados Públicos, do Imobiliário e da Construção, I.P.)* - Institute of Public Markets, Real Estate and Construction.

Payment of the remuneration due to the real estate agent, as well as the expenses and other charges incurred/borne by it, shall be exclusively borne by the Promissory Seller.

12. MISCELLANEOUS

12.1 CONFIDENTIALITY

Each Party shall treat as strictly confidential, and shall cause its directors, officers, employers and advisors to treat as strictly confidential, the contents of this Agreement, any information regarding the Parties and their businesses, and the Property, as well as any information provided by the Parties in the course of the negotiation of this Agreement or pursuant to it ("**Confidential Information**").

Notwithstanding the foregoing, a Party may disclose Confidential Information if and to the extent that:

(A) Such disclosure is made to a permitted assigned party, or a (current or prospective) lender of the Promissory Purchaser;

(B) Such disclosure is required to provide information to the Party's shareholders and Board members (as well as the Board members of the Party's shareholders), advisers, auditors and regulatory and financial entities, when they reasonably require knowledge of the same, on the condition that in any event they are bound by law or by agreement to maintain the confidentiality of the acquired information.

(C) Such disclosure is required by any applicable laws, administrative or judicial or arbitration order;

(D) Such disclosure is required to complete any actions, perform any obligations or enforce any rights set forth hereunder.

12.2 PRESS RELEASES AND ANNOUNCEMENTS

No Party shall, without the prior written consent of the other Party, issue a press release or otherwise make a public statement with respect to the transactions contemplated by this Agreement, being however the Promissory Purchaser hereby authorised by the Promissory Seller to include information related to the completion of the transaction in its website and periodical statements, provided that it does not expressly mention the identity of the Promissory Seller without their prior written consent.

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12.3 PARTIAL INVALIDITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then the remainder of this Agreement, or the application of the subject term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

12.4 WAIVERS

Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the Party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

12.5 ENTIRE AGREEMENT

This Agreement embodies and constitutes the entire understanding between the Parties hereto with respect to the subsequent matter hereof and all prior agreements, understandings, representations and statements, oral or written, are merged into this Agreement.

12.6 COSTS AND EXPENSES RELATED TO THE AGREEMENT

Each Party to this Agreement shall pay all the expenses and taxes incurred by it or on its behalf in connection with the preparation, authorisation, execution and performance of this Agreement.

12.7 AMENDMENTS TO THE AGREEMENT

This Agreement may be amended or supplemented only by additional written agreements duly executed by the Parties hereto.

12.8 SURVIVAL

The covenants and agreements made herein shall survive Completion.

13. NOTICES BETWEEN THE PARTIES

All notices between the Parties in relation to this Agreement shall be in writing, in English, signed by the relevant representative(s) and may be delivered *(i)* personally, in which case such notice will be deemed to have been received at the time of delivery and signing of the respective receipt, *(ii)* by registered letter with acknowledgement of receipt, in which case such notice will be deemed to have been received on the date of such receipt, unless it has not been received to a reason attributable to the recipient or *(iii)* by email, in which case such notice will be deemed to have been received on the date of the read receipt. Copy of all notices shall also be sent by email. Limb *(iii)* shall not apply to notices claiming termination of this Agreement, in which case only *(i)* and *(ii)* applies.

For the purpose of receiving notices, the Parties designate the following addresses:

(A) **To the Promissory Seller**

Att: Carlos Andre Antunes

Address: Rua da Fábrica, without number, Sabugo, Almargem do Bispo, Pêro Pinheiro e Montelavar, Sintra, Portugal

Email: aantunes@fusion-fuel.eu

(B) **To the Promissory Purchaser**

Att: Miguel Valente Bento

Address: Avenida da Liberdade, no. 240, 1st floor, 1250-148 Lisbon, Portugal

Email: philippe.cervesi@corum-am.com / miguel.bento@corum-am.com

(C) **To the Guarantor:**

Att: Frederico Figueira de Chaves

Address: The Victorians, 15 - 18 Earlsfort Terrace, Saint Kevin's - Dublin 2, Ireland

Email: fchaves@fusion-fuel.eu

In the event of a change of address of a Party, such change shall be notified by the said Party to the other Party reasonably in advance and in accordance with the terms of this Clause 12.

14. APPLICABLE LAW AND JURISDICTION

This Agreement shall be governed by the laws of Portugal.

Any dispute, controversy or claim arising from or in connection with this Agreement shall be settled by the judicial courts of Lisbon.

15. DATA PROTECTION

In accordance with the applicable Data Protection laws, the personal data of the individuals who sign, manage and perform this Agreement in the name or on behalf of the Parties will be processed by the other Party to carry out, perform, manage and monitor the Agreement and comply with their statutory duties. With regard to the processing for which each of the Parties is responsible, the data subjects may exercise their right of access, rights to rectification, erasure, object, data portability, restriction of processing and not be subject to automated individual decision-making and any other right recognised by the applicable regulations from time to time, by writing to the addresses mentioned in Clause 13. The processing of this data is necessary and the basis for doing so are: (i) performing and monitoring the contractual relationship between the Parties (ii) complying with the Parties' statutory obligations. Personal data will be processed during the term of this Agreement, after which the Parties will retain the personal data for up to ten (10) years unless, unless a longer term applies for statutory or contractual reasons. The data subjects also have the right to file claims and requests relating to their data protection rights with the relevant data protection authority. Before either Party discloses to the other any personal data of any individual who performs or manages the Agreement or of any third parties, the disclosing Party must previously inform the data subjects of the content of the preceding paragraph and comply with any other mandatory requirements that may apply for the lawful disclosure of the data to the recipient so that the latter does not have to take any additional steps vis-à-vis the data subjects.

16. LIST OF SCHEDULES

The schedules attached hereto and listed hereunder form an integral part of this Promissory Agreement:

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<u>Schedule 1</u>	Property's land registry permanent excerpt and tax certificate
<u>Schedule 2</u>	Use Permit
<u>Schedule 3</u>	Draft Lease Agreement
<u>Schedule 4</u>	Estimated settlement of accounts
<u>Schedule 5</u>	Promissory Seller's Representations and Warranties
<u>Schedule 6</u>	Promissory Purchaser's Representations and Warranties
<u>Schedule 7</u>	List of documents to be handed over to the Promissory Purchaser on Completion Date
<u>Schedule 8</u>	Plans of the Property
<u>Schedule 9</u>	Works to be performed by the Promissory Seller

The Parties sign and initial this Agreement in 2 (two) originals, 1 (one) for each Party.

[remainder of this page intentionally left blank; signatures page follows]

Promissory Seller

FUSION FUEL PORTUGAL, S.A.

____

Name: Carlos André de Melo Pinheiro Antunes

Capacity: Director

Promissory Purchaser

SCPI CORUM EURION - SUCURSAL EM PORTUGAL

Miguel Valente Bento

Name: Miguel Valente Bento

Capacity: Attorney-in-fact

Guarantor

FUSION FUEL GREEN

____

Name: Jaime Domingos Ferreira da Silva

Capacity: Director

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Triple-Net Lease Agreement

for non-housing purposes

regarding urban industrial property located in Benavente

"Fusion Factory"

BY AND BETWEEN

SCPI CORUM EURION- SUCURSAL EM PORTUGAL

as landlord

AND

FUSION FUEL PORTUGAL, S.A.

as tenant

AND

FUSION FUEL GREEN PLC.

as guarantor

Lisbon, 20 December 2022

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PARTIES

I. **SCPI CORUM EURION - SUCURSAL EM PORTUGAL**, with registered office at Avenida da Liberdade, 240, 1st floor, Lisbon, Portugal, registered with the Commercial Registry Office under the sole tax identification and registration number 980721776, which is an affiliate of **CORUM EURION**, with registered office at 1 Rue Euler, 75008, Paris, France, registered in the respective commercial registry office under the number 880811567, with the share capital of EUR 4,527,680.00, herein represented by Mr. Miguel Valente Bento, in his capacity as attorney (*procurador*) (the "**Landlord**"); and

II. **FUSION FUEL PORTUGAL, S.A.**, with registered office at Rua da Fábrica, without number, Sabugo, Almargem do Bispo, Pêro Pinheiro e Montelavar, Sintra, Portugal, registered with the Commercial Registry Office under the sole tax identification and registration number 514909439, with a share capital of EUR 50,100.00, herein represented by Carlos André de Melo Pinheiro Antunes, in his capacity as Director (the "**Tenant**"); and

III. **FUSION FUEL GREEN plc**, a plc incorporated under the laws of the Republic of Ireland, with registered offices at The Victorians, 15 - 18 Earlsfort Terrace, Saint Kevin's - Dublin 2, Ireland, registered with the Commercial Registry Office under the sole registration 669283 and taxpayer number 3697262DH, with the share capital of EUR 25.000,00 and USD 11.212,50, herein represented by Carlos André de Melo Pinheiro Antunes, in his capacity as attorney (the "**Guarantor**");

The Landlord and the Tenant are hereinafter jointly referred to as "**Parties**" or individually as "**Party**".

WHEREAS

I. By means of a sale and purchase deed executed on the date hereof, the Landlord acquired from the Tenant and therefore is the sole owner and lawful possessor of the urban property (*prédio urbano*) located at Zona Industrial de Vale Tripeiro - Plot 10 - I / J / K / L / M / N / O (Benavente - Portugal), in the parish of Benavente, Municipality of Benavente, described at the Land Registry Office of Benavente under number 3827 of the referred parish and inscribed with the Tax Authorities under article 5997 of the same parish (copy of the land registry excerpt and tax certificate of the Property are attached hereto as **Annex 1**) (the "**Property**");

II. The use permit no. 32/04 was issued by the municipality of Benavente on 22 March 2002 (the "**Use Permit**"), copy of which is attached to this Agreement as **Annex 2**.

III. For the Property it was issued the energy and air quality certificate no SCE294887846, valid until 15/12/2030, copy of which is attached to this Agreement as **Annex 3**;

IV. The Landlord intends to grant the lease to the Tenant and the Tenant intends to lease the Property, under the terms of this Agreement, including the recitals above and the annexes hereto;

It is in good faith entered into and reciprocally accepted this fixed term lease agreement for non-housing purposes (the "**Agreement**"), to be governed by the terms and conditions established in the following Clauses:

CLAUSES

1. OBJECT

1.1. The Landlord grants the lease to the Tenant and the Tenant leases the Property (the "**Leased Premises**").

1.2. The Tenant accepts the Leased Premises with its current layout as better identified in the plans and in their current state and conditions, as evidenced by the plans and photographs included in **Annex 4**, which the Tenant, as previous owner of the Property, declares to be fully aware of. For the avoidance of doubt the Tenant irrevocably acknowledges and accepts that, bearing in mind its condition as previous owner of the Property, it is not entitled to make any claim against the Landlord regarding the state and conditions of the Leased Premises (including, but not limited to, surface, physical and environmental state and conditions).

1.3. As previous owner and user of the Property, the Tenant already has installed in the Property the equipment and goods referred in **Annex 4.A**, of which the Tenant is the sole holder and owner.

1.4. Whilst this Agreement is in force the Tenant shall have the right of permanent access to the Leased Premises and may use the same, without limitation, on a 24-hour per day basis.

2. PURPOSE

2.1. The Tenant is authorised to use the Leased Premises exclusively for the purposes of operating an industrial unit (and, if applicable, ancillary uses of office and social rooms) in the Property all in accordance and within the limits of the authorised and licensed use of the Property.

2.2. The use of the Leased Premises for a purpose other than the one established in Clause 2.1 requires the prior written authorisation by the Landlord.

2.3. The Tenant is exclusively liable for obtaining and maintaining valid at all times any licenses or permits regarding the activities that the Tenant intends to develop in the Leased Premises and any technical facilities and equipment there maintained and shall bear all fees and other charges as well as any contingencies with respect to such licenses or permits (or the lack of such licenses or permits), including fines and additional sanctions that may arise.

2.4. Should the Tenant fail to maintain or renew the relevant licenses and permits or in the event any of such licenses or permits are revoked, restricted, annulled or otherwise cease to be valid, the Tenant will keep the Landlord harmless and will not be entitled to terminate this Agreement or to refuse to comply with any obligations under this Agreement, including, without limitation, suspending payment of the Monthly Rent or of any other payment obligations pursuant to this Agreement while it is not possible to carry out the operation of the industrial unit in the Leases Premises for the reasons indicated herein.

2.5. Any sanctions, penalties or fees directly applied to the Landlord or any amounts demanded from the Landlord and by the Landlord paid in its capacity as owner of the Leased Premises, arising from activities developed by the Tenant or from the use given by the Tenant (including its employees, service providers, visitors or customers) to the Leased Premises (including, without limitation, lack of licences), shall be immediately reimbursed by the Tenant to the Landlord on first demand (accrued of VAT if applicable).

2.6. The Tenant shall not be entitled to any indemnification or compensation under any title nor the reduction of the rent or the early termination of the lease for any issue or contingency that has arisen and / or may arise that is not attributable to the Landlord.

3. DURATION

3.1. This lease is entered into for the fixed term of 20 (twenty) years, starting on 20 December 2022 2022 (the "**Start Date**") and ending on 19 December 2042 (the "**Initial Term**").

3.2. The lease shall be deemed as automatically renewable for 1 (one) period of 10 (ten) years (the "**Renewed Term**"), unless the Tenant opposes to the renewal of this Agreement, in writing, with a prior notice of at least 18 (eighteen) months prior to the end of the Agreement's Initial Term.

3.3. None of the Parties is entitled to early terminate this Agreement before the end of its Initial Term and, if applicable, its Renewed Term.

3.4. This Agreement shall terminate automatically on the Renewed Term, without the need for any notification at the end of the Renewed Term.

3.5. If the Tenant terminates and / or causes the termination of the Agreement and / or breaches the Agreement giving the Landlord a cause for the latter to terminate the Agreement before the Initial Term and, if applicable, the Renewed Term, of this Agreement, the Tenant shall indemnify the Landlord for all damages incurred by the latter, notably, without limitation, all damages, costs and expenses due to the early termination, including loss of rent, void costs due to the vacancy of the Leased Premises (such as Municipal Property Tax, insurance premium, charges with minimum required maintenance, considering that the agreed terms under this Agreement (including the agreed amount of rent) takes into consideration that these costs are borne by the Tenant), costs for refurbishing and marketing the Leased Premises for a re-lease, decrease in the value of the Leased Premises due to a re-lease for a lower rent value, in any case limited to the amount of the rents that would have been paid until the end of the applicable term. The Tenant expressly acknowledges that the Initial Term has been critical for the decision of the Landlord to enter into this sale and leaseback agreement, without which the Landlord would not have accepted to acquire the Property from the Tenant under the terms it did on the date hereof and that, therefore, it is of the common interest of the Tenant to ensure to the Landlord compliance with the full Initial Term for the agreed rent and other conditions set out in this Agreement thus committing to the terms of this clause, regardless of any different rights it would otherwise be entitled to under the general lease legal framework that is and may be in force from time to time.

3.6. Clause 3.5 also applies in case of extinction of the Tenant (including, without limitation its winding-up) or any other form or way by which the Tenant ceases to exist before the Initial Term and, if applicable, the Renewed Term, of this Agreement.

4. RENT

4.1. For the lease of the Leased Premises, the Tenant shall pay to the Landlord an initial monthly fixed rent in the amount of EUR 50,000.00 (fifty thousand euros) (the "**Monthly Rent**").

4.2. The Monthly Rent will be paid by the Tenant until the 5th (fifth) day of the month prior to the one to which the rent refers, by bank transfer to the bank account with IBAN PT50 0018 0003 54465034020 24, the holder of which is the Landlord, opened with SANTANDER PT, or by any other means to be indicated in writing by the Landlord to the Tenant.

4.3. If the Monthly Rent is not fully paid until the date set forth in the preceding number, the Tenant will be in delayed performance (*mora*) and the Landlord shall have the right to demand, in addition to the rent in arrears, the amount corresponding to 20% of the owed amount.

4.4. On the date hereof, the Tenant pays to the Landlord the sum of EUR 68,548.39, corresponding to (i) the amount of the Monthly Rent calculated on a *pro-rata temporis* basis for the days of the month of December of 2022 in which the Tenant effectively uses the Leased Premises following the Start Date of this lease as well as (ii) the Monthly Rent due with reference to January 2023. Such payment is made by means of wire transfer by the Tenant to the Landlord on the date hereof.

5. RENT UPDATE

5.1. The Landlord will be entitled to yearly increase the Monthly Rent in accordance with the Consumer Price Index mainland excluding housing ("CPI") applicable with reference to the 12-month period counting from the anniversary of the Agreement as published by National Institute of Statistics (INE – *Instituto Nacional de Estatística*) without any cap and upwards only. The Tenant further acknowledges that, considering the context of the sale and leaseback transaction which this lease is a part of, it will not benefit from the cap to the rent update approved for the year 2023 by Law 19/2022 of 21 October nor by any potential caps that may be generally approved by law in future.

5.2. The calculation method for the rent update shall be as follows: Revised Rent = Previous rent x (New CPI of the given year / CPI N-1).

5.3. Taking into consideration that data from the National Institute of Statistics, or any entity that may replace it, may be published with a delay, if this means that the base or coefficient is unknown on the date on which the Rent is to be updated, the Parties hereby expressly agree that the Landlord shall use the latest available Consumer Price Index mainland excluding housing applicable with reference to the 12-month period which is published at the anniversary date. For the sake of clarity and as a mere example, if the Monthly Rent is increased in December 2023 but by the time that the Landlord shall inform the Tenant thereof pursuant to Clause 5.5 the latest available CPI is the one with reference to the 12-month period looking backwards (*taxa de variação homóloga*) as from October 2023, the Monthly Rent will be updated by using such coefficient.

5.4. The first annual review of the monthly Rent can take place with effects to the first anniversary of the Start Date of this Agreement, and subsequently on the same day and month of each anniversary of this Agreement.

5.5. The Landlord shall inform the Tenant of the new amount of the rent as per the rent update, in accordance with this Clause 5, at least 30 (thirty) days prior to the date on which the updated Monthly Rent shall become effective, subject to the adjustments set out in Clause 5.2.

6. HANDOVER OF THE LEASED PREMISES

6.1 The Leased Premises are already in the possession of the Tenant due to its condition of previous owner of the Property and are formally delivered to the Tenant on Start Date in their current state and conditions (including physical, legal, environmental and planning conditions), which are well known to the Tenant, notably the layout contained in the plans and the state and conditions evidenced by the photographs both included in **Annex 4**.

6.2 The Tenant accepts the Leased Premises in their current state and conditions, which the Tenant declares to be perfectly aware of and to be totally appropriate to the Leased Premises' purpose under this Agreement and in accordance with the use permitted by law and the use permit for the Property.

7. USE OF THE LEASED PREMISES

7.1 The Tenant undertakes to operate and maintain the Leased Premises as an industrial unit, as well as to meet all of the obligations set forth in this Agreement, in a diligent and prudent manner and in line with all legal requirements applicable to the use of the Leased Premises as an industrial unit (including, without limitation, urban planning and environmental requirements).

7.2 The Tenant assumes direct liability for all claims relating to the conditions under which it performs its activities in the Leased Premises that may be made against the Landlord, such that the latter is never disturbed and is exempt from any liability against all consequences that may result therefrom.

7.3 The Tenant, as previous owner of the Property, acknowledges and declares that there is no dispute or litigation risk towards the Property or any third party and that there are no encumbrances, approval or licencing issues or pending licencing procedures pertaining to the use of the Property.

7.4 The Tenant declares that it has obtained all licenses, authorisations and permits required to operate an industrial unit in the Leased premises, provided for in all applicable laws and regulations (including, without limitation, any licence or permit for the storage of fuel and waste management).

7.5 The Tenant undertakes to ensure the safety of people in the Leased Premises.

7.6 The Tenant undertakes to perform all works, inspections or procedures that are or may become mandatory under current or future regulations applicable to the Leased Premises, whether or not inherent in or specific to the Tenant's activity, specifically including but not limited to those legislation on fire safety (including, fire door, fire partition and all fire safety related items), environment, energy performance, and legislation on people with disabilities, health and safety. The aforementioned aspects shall be executed without delay as determined by order of any administrative authorities or required by law in order to operate the industrial unit. The Tenant shall be liable for any fines which may result from the non-compliance of the applicable regulations.

7.7 The Tenant shall be responsible for, and will at all times comply with, environmental regulations and in particular regulations in relation to asbestos, termites and other wood-eating insects, as well as legionnaire's disease. Consequently, the Tenant shall take direct responsibility for all works to remove or confine any asbestos element or pollutant substance present in the Property that should be at any time necessary for continued operation of the Property in conformance to the use of the same, in view of both current and future legislation.

7.8 The Tenant shall obtain and keep in force throughout the entire duration of this Agreement any environmental licenses, permits and authorisations that may be necessary to operate the industrial unit in the Property and will pay all taxes, levies, contributions, fees and duties in this respect. In addition, the Tenant will make best commercial efforts to cooperate and take all necessary actions requested by the Landlord in order to ensure the transfer of the environmental

licenses, authorisations or permits to the benefit of the Landlord upon termination of the Agreement.

7.9 The Tenant will assume all risks and environmental liabilities in relation to the use of the Leased Premises. Tenant will be responsible for environmental damage derived from its operation of the industrial unit in the Property as from the Start Date of this Agreement and will bear all legal and financial consequences of any contamination of the Property keeping at all times the Landlord harmless of any damages in connection therewith.

7.10 For the avoidance of doubt, the Tenant is not authorised to store hazardous substances in the Leased Premises.

8. MAINTENANCE

8.1 The Landlord is fully relieved of any obligation to perform maintenance and repair or other works at the Leased Premises, having the Tenant to bear all necessary ordinary and extraordinary repair and maintenance works of the Leased Premises, including major structural works or repairs, and the Tenant may not make any claim against the Landlord in this regard.

8.2 The Tenant shall be responsible for keeping the Leased Premises in very good cleaning and maintenance condition, including any components, equipment and installations and to bear all expenses related to the maintenance and repair works necessary to that end (including, without limitation, expenses related to end of life cycle of equipment and materials and to normal wear and tear). Within the context of its maintenance obligations, the Tenant may replace any elements or installations of the Leased Premises without the Landlord's prior consent whenever it does not require the municipality's or any other authority's prior control, at its own expense, by new ones that have at least the same characteristics and quality as the existing ones. In any case, any such replacements shall be notified to the Landlord.

8.3 In the event that the applicable law, any public authority, licenses or authorisations obtained or needed in relation to the permitted use in the Leased Premises require the execution of works in the Leased Premises, such works shall be carried out by the Tenant at its expense. The Tenant undertakes to notify the Landlord promptly after being informed by the relevant public authority or after otherwise becoming aware of the mandatory works required to be performed.

8.4 Any works to be performed under this Clause shall follow the proceeding set forth in Clause 10 below.

8.5 The Tenant undertakes to deliver to the Landlord annual maintenance reports following a template to be mutually agreed by the Parties.

9. INSPECTION OF THE LEASED PREMISES

9.1. The Landlord has the right to inspect the Leased Premises (by itself and/or by its representatives and consultants) to assess the state of conservation and maintenance and repair of the Leased Premises, its equipment and installations and for property assessment and insurance purposes. For such purpose, the Tenant must ensure that, following the prior notice served at least 2 (two) days in advance by the Landlord, free access is given to the Landlord to carry out the inspections.

9.2. Whilst conducting the inspections as set out in the foregoing paragraph, the Landlord must endeavour its best efforts to not disturb the business carried out by the Tenant in the Leased Premises. The Landlord, while on visit, must abide by all safety protocols and procedures required

by the Tenant's activities provided that the Tenant should reasonably support the Landlord regarding the safety protocols so that the access is provided within a reasonable timeframe.

9.3. As a result of the inspections, the Landlord will have the right to make recommendations to the Tenant in relation to the maintenance, repair, replacement and renovation works, which in the opinion of the Landlord are required for compliance with the terms and conditions of this Agreement. The recommended works must not substantially disturb the Tenant's every day activities, and should abide to the agreed conditions of the Leased Premises at the moment of the celebration of this Agreement.

9.4. If the Tenant does not execute the previously agreed works and measures recommended by the Landlord, the Landlord may execute these measures and works at its own initiative, provided that this execution shall not substantially disturb the Tenant's activities and does not damage any of the Tenant's equipment and goods. For such purpose, depending on the nature of the works, the Landlord and the Tenant shall mutually agree on the dates and hours for the Landlord to carry out the works. In case an agreement between the Landlord and the Tenant is not reached, the Tenant will ensure that, following the prior written notice served at least 15 (fifteen) days in advance by the Landlord, free access is given to the Landlord to carry out the works. The Tenant shall reimburse the Landlord of the costs with the performed works within a term of 15 (fifteen) days from the notification made by the Landlord requesting such payment (plus VAT as applicable). The execution of these measures and works does not grant the Tenant any right to early terminate or to require any adjustment to this Agreement, nor to claim a reduction of the monthly rent or any other amounts due, nor to claim from the Landlord any compensation.

10. WORKS

10.1. The execution of any works in the Leased Premises, except of ordinary works (to the extent that such works do not involve structural elements nor any changes that require the municipality's or other authority's prior request or favorable inspection which in any case shall be previously communicated to the Landlord), requires the Landlord's prior written approval, which shall not be unreasonably withheld, delayed or conditioned.

10.2. For the purposes set out in the foregoing number, the Tenant shall request the Landlord's authorisation at least 30 (thirty) days in advance to the date foreseen for beginning of the works. The Tenant shall, together with such request, submit to the Landlord the projects of the works, the specifications as well as any legal required projects and authorisations. In case the Landlord fails to reply without proper justification, to the authorisation request within 30 (thirty) days counting from the date on which the request was submitted to the Landlord, such request shall be deemed as accepted.

10.3. The Tenant shall not be entitled to any retention right or indemnification or compensation under any title nor to reduction of the rent as a result of the execution of any works or improvements carried out by the Tenant in the Leased Premises.

10.4. The Tenant is exclusively liable for complying with all obligations arising out of the execution of the works, such as obtaining all licenses and permits that may be required for their execution, bearing the respective costs, fees, taxes and other charges related to said works and licensing procedures. The Landlord undertakes to cooperate with the Tenant upon the latter's request in administrative procedures that may require the Landlord's intervention in its capacity as owner of the Leased Premises.

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10.5. Any works to be executed by the Tenant in the Leased Premises may not affect the title, safety, structure and architectural and aesthetic harmony of the Leased Premises.

10.6. The Tenant shall be liable for all damage that may result from the execution of any works, measures or installation referred in this Clause (including, without limitation, third party liability).

11. VACANCY AND REINSTATEMENT OF THE LEASED PREMISES

11.1 Unless otherwise agreed between the Parties, upon termination of this Agreement, for any reason whatsoever, the Tenant undertakes to deliver the Leased Premises to the Landlord vacant, clean and free of persons and goods and in very good condition of maintenance (including prevention) and following good repair, without prejudice to the normal tear and wear resulting from a normal and cautious use of the Leased Premises under this Agreement.

11.2 The Tenant's equipment and installations (including, without limitation, any solar/photovoltaic panels (including, without limitation UPACs (*unidades de produção para autoconsumo*)), even if the same are already installed prior to the execution of this Agreement), which shall be understood as, for instance, any alteration, application, installation or implementation of equipment carried out by the latter at the Leased Premises, shall be timely removed by the Tenant prior to the handover of the Leased Premises to the Landlord. The Tenant shall be responsible for repairing any damage caused by such removal, bearing all costs arising therefrom.

11.3 The Tenant shall at least 6 (six) months prior to the handover of the Leased Premises upon the end of the this Agreement, i.e. upon the end of the Initial Term of this Agreement, or if applicable, its Renewed Term), appoint a technical expert, at its own expense, which shall conduct a survey to the Leased Premises and state in writing its conclusions and recommendations regarding the state and conditions of the Leased Premises, notably any defects (including the ones resulting from wear and tear and end of life cycle) that the Leased Premises may have, which shall be repaired by the Tenant prior to the handover of the Leased Premises to the Landlord. The execution of the repair works stated in the conclusions of this inspection report shall be verified by the Parties on the date foreseen for the end of the Agreement.

11.4 In the event that the Premises are not reinstated by the Tenant at the end of the Agreement in the terms foreseen in this Clause, the latter shall be deemed in breach of the obligation to reinstate the Leased Premises, for all legal and due effects, and the Landlord shall have the right to refuse the handover of the Leased Premises on that ground. In this event, the Tenant shall pay the Landlord a compensation corresponding to twice the Monthly Rent for each month of delay in the delivery of the Leased Premises. If, notwithstanding the Tenant's breach, the Landlord accepts the handover of the Leased Premises, the latter shall be entitled to carry out, at the Tenant's expense, all acts necessary to remove/demolish the works and improvements made by the Tenant and proceed with any actions necessary, being the Landlord in any case entitled to enforce, totally or partially, the guarantees provided by the Tenant.

12. EXPENSES, TAXES AND FEES

12.1. The Tenant shall bear all operational, property management fees, maintenance (including, without limitation, applicable technical management fees and charges), insurance (including but not limited to the Landlord's property insurance), safety, cleaning and expenses for the Leased Premises.

12.2. The supply of any services or utilities in the Leased Premises, including, without limitation, water, electricity, gas, air conditioning and communications will be directly hired by the Tenant and the respective expenses will be directly and exclusively borne by the Tenant.

12.3. The payment of any taxes related with the ownership of the Property, notably, without limitation, the Municipal Property Tax (or other that may replace it or other new taxes) as well as any sewage fees are of the Tenant's responsibility.

12.4. If the Tenant does not pay any expenses, taxes and fees foreseen in this Clause, the Landlord may pay any of such due amounts at its own initiative and the Tenant will have to reimburse to the Landlord the costs incurred by the latter (accrued of VAT if applicable) within a term of 15 (fifteen) days from the notification made by the Landlord requesting such payment.

12.5. In case the Landlord receives any invoice addressed to it regarding costs and expenses that under this Clause shall be borne by the Tenant, the Landlord may pay any of such due amounts at its own initiative and the Tenant shall reimburse the Landlord of the costs incurred by the latter (accrued of VAT if applicable) within 15 (fifteen) days from receipt of the Landlord's notification requesting such payment.

13. GUARANTEES

13.1. In order to guarantee the fulfilment of all obligations arising to the Tenant from this Agreement, on the date hereof, the Tenant (i) makes a cash deposit in the amount of EUR 800,000.00 (eight hundred thousand euros) subject to annual review under the same terms and conditions set forth in Clause 5 above, corresponding to 16 (sixteen) times the sum of the Monthly Rent (the "**Cash Deposit**"), and (ii) delivers to the Landlord a stand-alone bank guarantee on first demand in the amount of EUR 100,000 (one-hundred thousand euros), equivalent to 2 (two) times the sum of the Monthly Rent subject to annual review under the same terms and conditions set forth in Clause 5 above, which shall be renewed every 5 (five) years, the agreed template of which is annexed to this Agreement as **Annex 5** (the "**Bank Guarantee**" and together with the Cash Deposit the "**Guarantees**"). The payment of the Cash Deposit is made by the Tenant by means of set-off with the purchase price of acquisition of the Property by the Landlord on the date hereof. In the event that, on the date hereof, the Tenant does not hold the Bank Guarantee to be provided to the Landlord, the Tenant replaces the delivery of the Bank Guarantee by an additional cash deposit to the Landlord in the same amount of EUR 100,000 (one-hundred thousand euros). The Landlord undertakes to release such cash deposit against receipt of the Bank Guarantee in the same amount. The same shall apply in case the Tenant fails to renew the Bank Guarantee on due date (i.e. every 5 years as of its issuance). In such case, the Tenant shall therefore provide the Landlord with a cash deposit in the equivalent amount which shall remain with the Landlord until the latter receives the renewed Bank Guarantee or a new one issued in the same terms of the agreed template attached as **Annex 5**. In such case, the Landlord undertakes to release such cash deposit against receipt of the renewed/new Bank Guarantee.

13.2. If, during the Initial Term or, if applicable, the Renewed Term of this Agreement, the Tenant has positive net income results for 2 (two) consecutive years (i) the amount of the Cash Deposit can be replaced with the amount of EUR 300,000.00 (three-hundred thousand euros), corresponding to 6 (six) times the sum of the Monthly Rent, and (ii) the amount of the stand-alone bank guarantee on first demand can be replaced with the amount of EUR 300,000.00, equivalent to 6 (six) times the sum of the Monthly Rent.

13.3. For the avoidance of doubt, in case the Landlord assigns its contractual position under this Agreement to a third party, the Guarantees shall be automatically assigned to such third party.

13.4. The Guarantees may be enforced whenever the Tenant is more than 30 (thirty) days late in complying with any of the obligations arising from this Agreement.

13.5. The Tenant shall reinforce the Guarantees, within 15 (fifteen) days counted from the written notification sent by the Landlord for such purpose, up to the amount due, in the following situations: (i) whenever the Guarantees are used by the Landlord to cover a Tenant's default and therefore the available Guarantees' amount is reduced as well as (ii) whenever the Tenant does not have a positive net income result for 2 consecutive years, in which case, should the Guarantees meanwhile have been reduced pursuant to Clause 13.2, the Guarantees shall be reinforced to the amounts as set out in Clause 13.1, updated to the updated Monthly Rent due at such time.

13.6. The Guarantees cannot be used by the Tenant to pay any Monthly Rents without the Landlord's prior written consent.

13.7. The Guarantees shall be returned to the Tenant, in whole or in part (as the case may be), within 30 (thirty) days as from the date on which the Leased Premises are reinstated and returned to the Landlord pursuant to Clause 11, if and to the extent that no amounts need to be retained by the Landlord to cover any rent or other amounts due by the Tenant or to carry out any repairs in the Leased Premises which were the Tenant's responsibility.

13.8. In addition to the Guarantees, the Guarantor hereby guarantees the due and timely fulfilment of all obligations arising from this Agreement to the Tenant (including, without limitation, payment of the Monthly Rent) being jointly and severally liable with the Tenant, with express waiver to the need for prior prosecution of the Tenant (*com renúncia expressa ao benefício da excussão prévia*), during the entire term of this Agreement. For the avoidance of doubt, in case the Landlord assigns its contractual position under this Agreement to a third party, the Guarantor's guarantee shall be automatically assigned to such third party.

14. INSURANCE

14.1. The Landlord undertakes to hire and to keep in force, throughout the entire period in which this Agreement is in force, the mandatory property insurance covering the Leased Premises. The respective premium will be borne by the Tenant.

14.2. The Tenant undertakes to hire and to keep in force, throughout the entire period in which this Agreement is in force, all insurance required by applicable law, including, without limitation, a multi-risks and civil liability insurance policy covering any damages that may arise from or in the Leased Premises (including, without limitation, loss of rents up to the amount corresponding to 36 (thirty six) Monthly Rents in case of business interruption) and that may be suffered by the Tenant, its employees, visitors, customers or service providers or any third parties related to the Tenant, according to an insurance policy to be previously approved by the Landlord, the Tenant being fully liable for the payment of the respective costs and premiums. The insurance policy shall also have the Landlord as a beneficiary of the same and the loss of rent coverage, if due, shall be paid to the Landlord.

14.3. Upon request of the Landlord, the Tenant shall provide evidence to the Landlord of payment of the premium and that the hired insurance policy is in place. In case the Tenant does not pay the

insurance premium of the hired policy, the Landlord is entitled to pay the said premium on behalf of the Tenant and may charge such amount to the latter (accrued of VAT if applicable).

14.4. The Parties expressly agree and accept that the Tenant shall be exclusively liable for all damage caused to the Property, in general, and to Landlord or to any of its employees, service providers, legal representatives, agents, consultants, visitors or costumers which arise out of or in connection with the operation of the Leased Premises and/or the industrial unit.

14.5. In the event that the Property is totally or partially destructed and, as a result, the relevant reconstruction works are expected to last for more than 3 (three) years, this Agreement shall automatically terminate, unless otherwise agreed upon by the Parties with no compensation payable by any Party, but without prejudice to the right of the Landlord to obtain compensation from the Tenant, should the damage be ascribable to the Tenant.

14.6. In the event that the Property is totally or partially destructed (to the extent that the event is actually covered by a hired insurance policy) and, as a result, the relevant reconstruction works are expected to last for less than 3 (three) years, the Landlord shall apply the amounts actually received from the insurance company in the reconstruction of the Property so as to reinstate it in the previous status it was prior to the insured event, it being understood that the Tenant shall be entitled to participate in the discussions on the definition and the management of the reconstruction project and the relevant opinion will be taken in due account by the Landlord, provided that the Landlord shall take the final decision. During the period of execution of the works while the Property will not be available, the Landlord shall be entitled to receive from the insurer, for a maximum period of 3 (three) years, the indemnity for loss of rents. The Tenant will continue to be bound to all payments due pursuant to this Agreement (including Property Municipal Tax) except the Monthly Rent (which will be fully paid by the insurer or, in case of partial destruction, proportionally reduced to the area of the Leased Premises that can be used). In the event that the reconstruction works actually last for more than 3 (three) years, if reasonable, the Parties will in good faith negotiate an extension of the period to complete the reconstruction and if an agreement is not reached the preceding paragraph shall apply.

14.7. In any case of destruction, the Tenant may not request compensation to the Landlord whatsoever.

15. INFORMATION UNDERTAKINGS

15.1 The Tenant shall provide the Landlord with the Tenant's audited financial statements and with the Tenant's corporate group consolidated financial statements for each year throughout the entire duration of this Agreement as soon as the same become available to the public and filed with the regulator (commencing with the financial year ending 31 December 2022).

15.2 The Tenant shall also provide the Landlord with the corporate, environmental or energy related information or data which the Landlord is required to disclose to any public entity due to regulatory reasons or as part of the Landlord's (or the Landlord's corporate group) ESG criteria.

15.3 The Tenant will also provide the Landlord with accumulated and monthly consumptions data regarding use and supply of energy, of water and other materials and services at least every year or upon the Landlord's request.

15.4 Upon request of the Landlord, the Parties will consult with each other on issues or circumstances that may enhance environmental performance and will consider undertaking all such opportunities which are expected to have a positive impact on the work environment subject to

an analysis of the costs and benefits; likewise, the Parties will constructively consult with each other on issues or circumstances that may detract from attaining these environmental principles.

15.5 The Landlord may also install, at its own cost, equipment (including check meters or other equipment) to measure the supply of gas, electricity or other energy or utility supplied to the Leased Premises. In such case, the Landlord and/or its agents shall have the right to access the Leased Premises (with workmen, contractors, and necessary equipment) at reasonable times and without causing substantial harm or negatively influence the Tenant's activities in order to carry out such installation, provided that (i) at least a 7 (seven)-day prior written notice is given by the Landlord to the Tenant of such proposed access; and the installation of the equipment does not adversely affect the Tenant's use and occupation of the Leased Premises.

16. TERMINATION

In accordance with article 1083 and other applicable legal provisions of the Portuguese Civil Code, any of the Parties may terminate this Agreement on the basis of breach of contract by the other Party, having the right to be indemnified for any damages and loss of profit that may arise therefrom.

17. SIGNAGE

17.1. The Tenant, besides the currently in place items, may only install additional signage outside the Leased Premises or in its interior or exterior parts with the prior written approval of the Landlord, and after obtaining all required licenses and/or permits from any relevant public entities. The signage to be installed shall have to bear the brand/logo "Fusion Fuel", or another brand/logo that may replace the latter as part of a group rebranding, alongside any required logos or brands as part of regulations or grants awards.

17.2. The Tenant's communication shall include the description of the signage to be installed, namely technical features and dimensions, as well as the technical solution proposed for the installation.

17.3. The Landlord shall answer within 30 (thirty) days as from receipt of the request. The approval shall not be unreasonably withheld.

17.4. In case of absence of reply without proper justification, the Landlord shall be deemed to have accepted the installation of signage.

17.5. Clause 10.3 to 10.6 shall apply *mutatis mutandis*.

17.6. All signage shall be removed by the Tenant, at its own cost, upon expiry or termination of the Agreement for any reason whatsoever, and the Tenant shall carry out any required repairs to ensure that Leased Premises are delivered in the conditions for use as per clause 11.

17.7. The Tenant shall indemnify and hold the Landlord harmless from any damages suffered by the Landlord or any third party in connection with the installation, existence or removal of any signage in any part of the Leased Premises (including as a result of any claims filed against the Landlord in connection thereto).

18. EMPLOYEES

The Tenant undertakes to be responsible for employment, tax and social security obligations in relation to its employees and its subcontractors and to employees of its subcontractors and to indemnify the Landlord against all economic losses and expenses of any nature caused to the Landlord as a result of any claim in the tax, employment and social security field connected with employees of the Tenant's

subcontractors and employees of subcontractors. Tenant shall procure that the Landlord does not have to assume any labour obligations or liabilities in respect of the workers of the industrial unit in the Leased Premises, and shall keep the Landlord fully indemnified if that is not the case.

19. ASSIGNMENT AND SUBLEASE

19.1. The Tenant may not sublease the Leased Premises without the Landlord's prior written consent. However, the Tenant is hereby authorised to sublease the Leased Premises (i) either in whole or in part, to a company belonging to the same corporate group of the Tenant (as qualified under article 21 of the Portuguese Securities Code (*Código dos Valores Mobiliários*)) or (ii) to any company in case the subleased area does not exceed 25% of the surface area of Leased Premises, in which cases the Tenant shall be liable before the Landlord for every act and omission attributable to them as if such act or omission was of the Tenant's direct responsibility or to it attributable.

19.2. The Tenant may not assign its contractual position in this Agreement without the Landlord's prior written consent. In case the Landlord consents on the assignment (i) the Tenant shall be liable before the Landlord for every act and omission attributable to them as if such act or omission was of the Tenant's direct responsibility or to it attributable, (ii) the assignee should expressly acknowledge the terms and conditions of this Agreement accepting all Tenant's obligations agreed herein and (iii) the assignee shall have at least the same creditworthiness of the Tenant and provide the same level of guarantee in relation to the fulfilment of the obligations set forth in this Agreement.

19.3. Any assignment and/or sublease by the Tenant is subject to the authorised purpose of this Agreement (as foreseen in Clause 2) not being altered.

19.4. In case of a change of the shareholding structure of the Guarantor, which involves the delisting of the Guarantor, as a result of a merger, spin-off, transformation and/or change of control (directly or indirectly), the Tenant shall (i) inform the Landlord of the change in the Guarantor's shareholding once legally possible, on the same day of the change of in the shareholding structure, and (ii) reinforce the Guarantees provided under this Agreement to the amounts foreseen in Clause 13.1. In this case, if for 2 (two) consecutive years counted from the change the Guarantor has positive net income results the Guarantees can be reduced to the amounts foreseen in Clause 13.2.

20. COMMUNICATIONS

20.1. All communications and notices to be given by the Parties under or in relation to this Agreement shall be in writing and served by any of the following methods:

(i) hand delivery with written acknowledgement of receipt by the other Party; or

(ii) postal or electronic mail, or any other means, provided that in all such cases there is a record of proper receipt by the addressee(s).

(iii) Communications to terminate the Agreement are only deemed valid if sent by registered mail (email not being sufficient).

20.2. All notifications and communications between the Parties relating to this Agreement must be made to the addresses referred to below:

To the Landlord:

SCPI CORUM EURION - SUCURSAL EM PORTUGAL

For the attention of :

Philippe Cervesi – Real Estate Director/General Manager/Partner

Address: 1 rue Euler, 75008, Paris, France

Phone: +33 6 84 47 89 34

E-mail: philippe.cervesi@corum-am.com

For the attention of :

Ricardo Quaresma – Senior Asset Manager

Address: Avenida da Liberdade, 240, 1st floor, 1250-148 Lisbon

Phone: +351 93 662 66 31

E-mail: ricardo.quaresma@corum-am.com

To the Tenant:

FUSION FUEL PORTUGAL, S.A.

For the attention of Carlos Andre Antunes

Address: Rua da Fabrica s/n, Sabugo, 2715-376 Almargem do Bispo

Phone: +351 211 342 435

E-mail: aantunes@fusion-fuel.eu

To the Guarantor:

FUSION FUEL GREEN

For the attention of Frederico Figueira de Chaves

Address: The Victorians, 15 - 18 Earlsfort Terrace, Saint Kevin's - Dublin 2, Ireland

Phone: +351 960 439 641

E-mail: fchaves@fusion-fuel.eu

20.3. Communications by registered letter with acknowledgement of receipt or delivered in hand shall be deemed made on the date of the corresponding receipt. Copies of the communications shall also be sent via email.

20.4. Any change in the addresses or recipients for notification purposes shall be immediately notified to the other Party in accordance with the rules set out in this clause. Notices made by either Party in accordance with such rules to the original address or recipient shall be deemed to have been properly served until such time as a Party has received a notice of such changes.

21. ENTIRE AGREEMENT

This Agreement and respective recitals and annexes constitute the entire agreement of the Parties on the subject matter and shall not be amended or modified verbally but only by written document signed by both Parties or by their representatives.

22. DATA PROTECTION

22.1. In accordance with the applicable data protection regulations, the personal data of the individuals who sign, manage and perform this Lease Agreement in the name or on behalf of the Parties will be processed by the other Party to carry out, perform, manage and monitor the Lease Agreement and comply with their statutory duties. With regard to the processing for which each of the Parties is responsible, the data subjects may exercise their right of access, rights to rectification, erasure, object, data portability, restriction of processing and not be subject to automated individual decision-making and any other right recognised by the applicable regulations from time to time, by writing to the addresses referred in Clause 20 above. The processing of these data is necessary and the basis for doing so are: (i) performing and monitoring the contractual relationship between the Parties; and (ii) complying with the Parties' statutory obligations. Personal data will be processed during the term of this Lease Agreement, after which the Parties will retain the personal data for up to 10 (ten) years unless a longer term applies for statutory or contractual reasons. The data subjects also have the right to file claims and requests relating to their data protection rights with the relevant data protection authority.

22.2. Before either Party discloses to the other any personal data of any individual who performs or manages the Lease Agreement or of any third parties, the disclosing Party must previously inform the data subjects of the content of the preceding paragraph and comply with any other mandatory requirements that may apply for the lawful disclosure of the data to the recipient so that the latter does not have to take any additional steps vis-à-vis the data subjects.

23. LEGALISATION OF SIGNATURES, STAMP TAX AND REGISTRATION

23.1. The signatures of the representatives of each of the Parties executing this Agreement shall be legalised in the presence of a notary or another authority with similar powers (*reconhecimento presencial de assinaturas na qualidade*).

23.2. The Landlord shall communicate this Agreement to the Portuguese tax authorities (*Autoridade Tributária e Aduaneira*) through the electronic communication of the Finance Portal (*Portal das Finanças*) under the period and terms legally required.

23.3. The Tenant shall pay the stamp tax due in connection with this Agreement and provide the Landlord with evidence thereof before the end of the month following to the month in which this Agreement is signed.

23.4. Under the terms and for the purposes of article 2.1(m) of the Land Registry Code, the Tenant will submit the Agreement to be registered with the Land Registry Office within the applicable legal deadline and pay any registration fees and all required amounts in connection therewith. The Landlord shall sign the necessary documents as needed for such registry.

24. APPLICABLE LAW AND JURISDICTION

24.1. This Agreement shall be governed by Portuguese law.

24.2. Without prejudice to the cases in which the Landlord may resort to the National Lease Counter (*Balcão Nacional do Arrendamento*), hereby acknowledged by both Parties, whenever the resource to judgment is binding to solve any dispute or divergence between the Parties regarding any matter arising from this Agreement the Parties agree to submit themselves to the exclusive jurisdiction of the Courts of Lisbon.

25. LIST OF ANNEXES

The annexes attached hereto and listed hereunder form an integral part of this Agreement:

Annex 1	Land registry excerpt and tax certificate of the Property
Annex 2	Copy of Use Permit
Annex 3	Energy and air quality certificate
Annex 4	Plans and pictures of the Leased Premises
Annex 4.A	Equipment and goods installed in the Leased Premises
Annex 5	Bank Guarantee

This Agreement is set down in writing and executed on 20 December 2022, in 3 (three) copies, 1 (one) for each Party.

[*remainder of the page intentionally left blank; signatures page to follow*]

By the **Landlord**

SCPI CORUM EURION - SUCURSAL EM PORTUGAL

Miguel Valente Bento

Name: Miguel Valente Bento

Capacity: Attorney (*procurador*)

By the **Tenant**

FUSION FUEL PORTUGAL, S.A.

Carlos André Antunes

Name: Carlos André de Melo Pinheiro Antunes

Capacity: Director

By the **Guarantor**

FUSION FUEL GREEN plc.

Carlos André Antunes

Name: Carlos André de Melo Pinheiro Antunes

Capacity: Attorney (*procurador*)

notária
Rita
Costa

ÁRIA
COSTA

Reconheço a assinatura de MIGUEL JOSÉ VALENTE BENTO, em folha anexa, feita pelo próprio na minha presença, pessoa cuja identidade verifiquei pela exibição do cartão de cidadão número 13964525, válido até 04/03/2029, emitido pela República Portuguesa, que intervém na qualidade de **Procurador**, em representação da sociedade CORUM EURION, actuando através da sua representação permanente em Portugal, denominada **SCPI CORUM EURION - SUCURSAL EM PORTUGAL**, com poderes para o acto, conforme verifiquei por uma procuração, documento que fica arquivado neste Cartório, a instruir escritura lavrada a folhas cento e vinte e duas do livro quarenta e quatro – A, tendo ficado arquivada também, a instruir a mesma escritura, impressão da certidão comercial permanente da Sucursal, com o código de acesso 0314-6332-0445 e ainda consultado a declaração do Registo Central do Beneficiário Efectivo da Sucursal, através do código RCBE ad8926ac-add02-49f7-8c48-c5c813deec9a.

Lisboa, 20 de Dezembro de 2022.

Cartório Notarial de Ana Rita Ribeiro da Costa Pinto Caliço.

Conta n.º 32.

A Notária,

Ana Rita Ribeiro da Costa Pinto Caliço

Reconheço a assinatura de CARLOS ANDRÉ DE MELO PINHEIRO ANTUNES, em folha anexa, feita pelo próprio na minha presença, pessoa cuja identidade verifiquei pela exibição do cartão de cidadão número 11630629, válido até 03/08/2031, emitido pela República Portuguesa, que intervém nas seguintes qualidades:

A) **Administrador**, em representação da sociedade comercial anónima com a firma **FUSION FUEL PORTUGAL, S.A.**, com poderes para o acto, conforme verifiquei pela respectiva certidão comercial permanente, com o código de acesso 8823-0003-5541, e por fotocópia certificada da acta número oito da reunião do Conselho de Administração realizada em catorze de Dezembro de dois mil e vinte e dois, documentos que ficam arquivados neste Cartório, a instruir escritura lavrada a folhas cento e vinte e duas do livro quarenta e quatro – A, tendo consultado também a declaração do Registo Central do Beneficiário Efectivo, através do NIPC da sociedade;

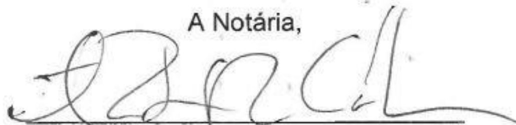
B) **Procurador**, em representação da sociedade **FUSION FUEL GREEN PUBLIC LIMITED COMPANY**, com poderes para o acto, conforme verifiquei por uma procuração certificada notarialmente em dezasseis de Dezembro de dois mil e vinte e dois por Declan C. Hayes, Notário Público em Dublin, Irlanda, documento que foi me exibido.

Lisboa, 20 de Dezembro de 2022.

Cartório Notarial de Ana Rita Ribeiro da Costa Pinto Caliço.

Conta n.º 29/30.

A Notária,



Ana Rita Ribeiro da Costa Pinto Caliço

FORAM-ME EXIBIDOS:

- Fotocópia certificada em 16/12/2022 pela advogada Mariana Carrilho, titular da cédula profissional número 63737L, do alvará de licença de utilização número 32/04, de 22/03/2004, emitido pela Câmara Municipal de Benavente para o imóvel objecto do presente contrato;
- Certificado energético SCE294887846, respeitante ao imóvel objecto do presente contrato.

CONSULTADO:

- O registo de entidades autorizadas disponível no sítio do Banco de Portugal, em https://www.bportugal.pt/entidades-autorizadas, tendo verificado que a SCPI CORUM EURION - SUCURSAL EM PORTUGAL não está autorizada a exercer actividade financeira reservada, facto de que dei conhecimento aos signatários, nos termos e para os efeitos do disposto no artigo 4.º, número 1, da Lei número 78/2021, de 24 de Novembro, tendo as partes declarado que o presente contrato não é celebrado no âmbito do exercício de uma actividade financeira reservada a entidades habilitadas junto do Banco de Portugal.

ADVERTI os signatários que:

1) Deverão apresentar este contrato à Autoridade Tributária para efeitos da liquidação do imposto do selo do arrendamento; e

2) Da obrigatoriedade de procederem ao registo predial no prazo de dois meses a contar da presente data.

A garantia constituída ao abrigo do contrato anexo encontra-se isenta do pagamento da verba 10 da TGIS, por ser simultânea e materialmente acessória de contrato especialmente tributado.

O presente reconhecimento de assinaturas não ressalva qualquer inexactidão ou deficiência do conteúdo do documento apresentado.

Exhibit 21

List of Subsidiaries

Company	Jurisdiction of Formation
Fusion Fuel Portugal, S.A.	Portugal
Fusion Cell Évora, Unipessoal LDA	Portugal
Fusion Cell Évora I, Unipessoal LDA	Portugal
Fusion Fuel USA, Inc.	United States
Fusion Fuel Spain, S.L.	Spain
Fusion Fuel Australia, PTY Ltd	Australia
Fusion Fuel Australia – Pilot PTY Ltd	Australia
Hevo Sines, Unipessoal LDA	Portugal
Hevo Sines II, Unipessoal LDA	Portugal
Hevo Sines III, Unipessoal LDA	Portugal
Hevo Portugal, Unipessoal, Lda.	Portugal
Fusion Cell Spain, S.L.	Spain

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the registration statements on Form F-3 (File Nos. 333-251990 and 333-264714) and on Form S-8 (File No. 333-258543) of our report dated May 15, 2023, with respect to the consolidated financial statements of Fusion Fuel Green plc and subsidiaries.

/s/ KPMG

Dublin, Ireland

May 15, 2023

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Frederico Figueira de Chaves, certify that:

1. I have reviewed this Annual Report on Form 20-F of Fusion Fuel Green Plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Dated: May 16, 2023

By: */s/ Frederico Figueira de Chaves*
Frederico Figueira de Chaves
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Fusion Fuel Green PLC ("Parent") on Form 20-F for the year ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operation of Parent.

Dated: May 16, 2023

By: */s/ Frederico Figueira de Chaves*
Frederico Figueira de Chaves
Chief Financial Officer
(Principal Executive, Financial, and Accounting Officer)

Exhibit 99.1

List of Relevant Territories for the Purposes of Irish Dividend Withholding Tax

1. Albania
2. Armenia
3. Australia
4. Austria
5. Bahrain
6. Belarus
7. Belgium
8. Bosnia and Herzegovina
9. Botswana
10. Bulgaria
11. Canada
12. Chile
13. China
14. Croatia
15. Cyprus
16. Czech Republic
17. Denmark
18. Egypt
19. Estonia
20. Ethiopia
21. Finland
22. France
23. Georgia
24. Germany
25. Ghana
26. Greece
27. Hong Kong
28. Hungary
29. Iceland
30. India
31. Israel
32. Italy
33. Japan
34. Kazakhstan
35. Kenya
36. Korea
37. Kosovo
38. Kuwait
39. Latvia
40. Lithuania
41. Luxembourg
42. Macedonia
43. Malaysia
44. Malta
45. Mexico
46. Moldova
47. Montenegro
48. Morocco
49. Netherlands
50. New Zealand
51. Norway
52. Pakistan
53. Panama
54. Poland
55. Portugal
56. Qatar
57. Romania
58. Russia
59. Saudi Arabia
60. Serbia
61. Singapore
62 Slovak Republic
63. Slovenia
64. South Africa
65. Spain
66. Sweden
67. Switzerland
68. Thailand
69. Turkey
70. United Kingdom
71. Ukraine
72. United Arab Emirates
73. Uzbekistan
74. United States of America
75. Vietnam
76. Zambia

FUSION-FUEL™

Executive Offices

Fusion Fuel Green Plc.
The Victorians
15 - 18 Earlsfort Terrace
Saint Kevin's - Dublin 2
Ireland
contact@fusion-fuel.eu

Portugal
FUSION-FUEL Green Plc.
Rua da Fábrica, S/N, Sabugo
2715-376 Almargem do Bispo
Portugal
contact@fusion-fuel.eu

Shareholder Inquiries

Information about the firm, including all quarterly earnings releases and financial filings with the U.S. Securities and Exchange Commission, can be accessed via our Web site at www.fusion-fuel.eu

Shareholder inquiries can also be directed to Investor Relations via email at ir@fusion-fuel.eu

Transfer Agent and Registrar for Common Stock

Questions from registered shareholders of FUSION-FUEL Green Plc. regarding lost or stolen stock certificates, dividends, changes of address, and other issues related to registered share ownership should be addressed to:

Mark Zimkind
1 State Street
New York, NY 10004