



SHAREHOLDER NEWSLETTER: QUARTER 1 - 2024

The 2024 transition from Technology to Commercialisation

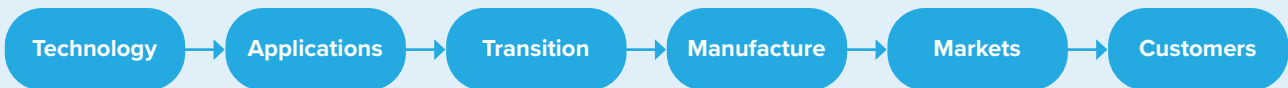
(Australia, New Zealand, & Pacific Islands)

Dear Shareholders,

We have now entered the most significant period of the MDI technology development, and of Air Future's relationship in preparing for the commercialisation of its applications. That preparation has been focused on a showcase for Australasia with the potential for regional and global replication.

Let us reflect on the journey both past and future as it is now becoming an apparent reality.

MDI / AFG (commercialisation journey)



What's completed with MDI

(Technology & applications)

MDI have completed the development of the technology for the compressed air energy storage and the clean compressed air transport models, plus the standardisation for distributed manufacture.

In addition MDI have produced applications for bespoke partners including Veolia and the World Expo and others, received an Award from the United Nations, created products such as the AirPod and the GreenAir, and designed potential new products such as the Modul'Air.

MDI have now terminated their laboratory centralised development to move further development into the field, with Australasia being the initial showcase commercialisation.

What's completed with Air Future

(Markets & customers)

Air Future Group (AFG) have undertaken field development and markets for the technology applications, and produced detailed public documents on commercialising the technology for Energy Innovation and similarly for Transport Vehicles. These were the first ever documents detailing the merging of the technology with mass commercialisation.

Integrating technology & markets

(Transition & manufacture)

MDI and AFG have now collaborated to transition from the left hand side (technology and applications) to the right hand side (markets and customers), and in doing so create an Australasia showcase with the aim of regional and global replication. A core interim step is the technology transfer in the middle (transition & manufacture).

Collectively these steps are intended to lead to the commercialisation across Australasia (Australia, New Zealand, & Pacific Islands), and then to replication and adaptation across all regions and globally.

Now let's look at the current steps in Quarter 1 & 2 for 2024



TECHNOLOGY transfer for MANUFACTURE, & developments for MARKETS & CUSTOMERS

We like to speak of these various steps in terms of projects, of which there are five, generally functioning in parallel. Their current activities are as follows (for convenience we will call them 1-5):

1. MDI/AF Collaboration: Integration of technology & markets into Australasian showcase platform.

STATUS – MDI is transferring technology & manufacturing documents & processes.

2. Manufacture: Technology transfer & Australasian manufacture & applications assembly.

STATUS – We are sharing information and negotiating with outsourced manufacturers

3. MARKETS: Managing the distribution relations for the multiple industry markets.

STATUS – We continue in contacts with channels for product applications and pilots.

4. CUSTOMERS: The diversity of markets enables design and industries to explore solutions and experiences via demonstrations and pilots. So the home storage system will be different to industrial or microgrid. And vehicles for consumers different to commercial or industrial.

STATUS – In parallel with “markets” above, we also liaise directly with potential customers.

5. REGIONS: Showcasing enables replication and adaptation across regions & countries.

STATUS – Whilst regional replication needs something to replicate, they can also initiate.

There is actually a 6th project which is monetising the value of the technology, its commercialisation, and the collaborating businesses MDI and AFG. We cannot address this project in isolation of potential cornerstone investors assisting us in achieving the Australasian showcase and global replication goals.

Which leads to the last focus which, whilst not a project as such, is treated as one. This is the partners, resources, funders, and sponsors to enable our journey to progressively happen - locally and globally.

More on all that in later Newsletters...

In ending this Newsletter let's remind ourselves of a few huge benefits of our technology's innovations.

1. Affordability: Without expensive chemicals mining, no large batteries, no global distribution costs, local manufacture, highly economically scalable, and easy tailoring, affordable is a key benchmark.

2. Efficiency: Compressed air energy and heat energy can work together for electricity, heating, and cooling. Heat energy can be applied internally adding efficiency or for customer heating and cooling.

3. Space: Efficient space utilisation means high energy density. Our energy capacity via the air engine (kW) is a separate system to the energy duration via the tanks (kWh). These can be placed underground.

4. Resilience: No grid delivering power from afar can guarantee resilience from weather (i.e. backouts). We are decentralised as rooftop solar, industrial or microgrids & VPPs. Local storage enables resilience.

5. Duration: The modularity of the compressed air system means that capacity and duration can be separately managed and aggregated. Decentralised scale and duration are an essential in the air system.

6. Maintenance: The far cleaner air energy storage system has been designed for low maintenance and high reliability ideally suited for communities. The engine runs low heat and low stress via design.

Reference documents are available on request:

Business Flier; Energy Document; Transport Document; Brochures; And on our website at:
<https://www.airfuture.co.nz/documents>