ALKALINE FUEL CELL SIGNS DEFINITIVE AGREEMENTS TO ACQUIRE AI RENEWABLE’S CHP BUSINESS

VANCOUVER, British Columbia, March 4, 2022 (GLOBE NEWSWIRE) Alkaline Fuel Cell Power Corp. (NEO: PWWR) (Frankfurt: 77R, WKN: A3CTYF) ("AFCP" or the "Company"), a company engaged in the development and production of alkaline fuel cell heat and power systems for residential, industrial and commercial markets worldwide, is pleased to announce that it has entered into definitive agreements to acquire (the "Transaction") 100% of the Combined Heat and Power (CHP) generation business (the "AI Business") of AI Renewable 2018-I Limited Partnership, AI Renewable 2020-I Limited Partnership and 2191 Yonge Ltd. (collectively, "AI"). AI uses a clean and renewable single fuel source energy technology that generates both electricity and heat. The stable and efficient energy production results in cost savings to the customer and a reduction in greenhouse gas emissions. Subject to certain closing conditions, the Company expects to close the Transaction within 30 days from the date hereof.

Upon closing of the Acquisition, the AI Business will provide the Company with immediate recurring, long term gross operating income from a current active account. The AI Business currently has a pipeline of projects, that once secured, will provide additional sources of gross operating income. Securing the pipeline of projects remain subject to mutual agreement with the potential accounts.

The high efficiency CHP system provides reliable, sustainable and efficient, on-site energy 24/7. It can be adapted to not only residential but commercial and industrial customers. Furthermore, the Company has identified technology that will allow them to transition the current CHP systems to utilize hydrogen and the AFCP fuel cells allowing for AFCP to grow exponentially while generating revenue.

AI's pipeline consists of over 30 potential CHP projects at various stages of development ranging from proposals, letters of intent and one power purchase agreement ready to begin the engineering, procurement and construction (EPC) phase. The estimated capital investment to bring the pipeline of potential CHP systems into commercial operation within the next 24-36 months is estimated at $50,000,000. It is estimated that, based on the CHP system currently in commercial operation, when all the potential CHP systems are in commercial operation, potential gross revenue could be up to approximately $16.61 million, potential EBITDA could be up to approximately $7.68 million and potential net income up to approximately $1.64 million. These estimates are forward-looking and are subject to the assumptions provided in forward-looking disclaimer below.

Electricity prices and CO2 emissions associated with conventional power generation technologies continue to steadily rise. The need for on site, efficient and reliable energy sources is ever more apparent. As the market leader in CHP energy generation there will be an immense opportunity for AFCP to create further revenue from its fuel cell products by installing systems in existing locations and selling units to other CHP owners to secure significant market share of the almost 10,000 high rise
buildings in Canada and 163,000 high rise buildings in major markets across the globe in the coming years. (Source: https://www.emporis.com)

“Alkaline Fuel Cell Power Corp. continues to progress towards commercialization of our micro-combined heat and power (“Micro-CHP”) system. The integration of AI’s CHP business along with key members of management will help AFCP accelerate our milestone timelines and the transition of existing CHP to a clean zero-emission hydrogen powered energy solution with immediate revenue and a very large project pipeline, setting the stage for growth worldwide.” said Mr. Matthew Fish, Interim Chief Executive Officer of AFCP.

Added Dr. Elliot Strashin, Chairman of AI Renewable, “Our renewable investment fund, driven by its strong core values, is committed to investing in clean, green and efficient energy projects. We are confident that AFCP is the perfect partner to build off the foundation that AI Renewable has created and assume our mission of reducing greenhouse gas emissions for meeting heating and electricity needs across North America”.

Pursuant to the terms of the definitive agreements, the consideration contemplated for the Transaction (the "Purchase Price") shall consist of 22,575,758 common shares of Alkaline Fuel Cell Power Corp. (the "Consideration Shares") and $3,000,000 in cash consideration. In connection with the execution of the definitive agreements, the Company advanced a $2,000,000 loan to the vendors, which will be applied against the cash consideration on closing. The remaining $1,000,000 cash payment shall be paid no later than January 2, 2023. As part of the due diligence process, the Company has retained BDO Canada LLP to prepare a pricing analysis providing its conclusion of the fair market value of AI. The closing of the Transaction is subject to completion of satisfactory due-diligence by the Company and the acceptance of the Transaction by the NEO Exchange.

In addition to the Purchase Price payable on closing, the Company shall pay to the vendors additional consideration upon the achievement of certain milestones described below:

Milestone #1

If the AI Business obtains “Green Loans” and/or government grants for the AI Business and/or their customers of two million five hundred thousand ($2,500,000) dollars or more for the installation of CHP units in buildings within 18 (eighteen) months following the closing ("Milestone #1"), the vendors will be compensated with additional common shares in the capital of the Company (the “Common Shares”) equal to the greater value of 1,000,000 Common Shares or the number of Common Shares worth one million ($1,000,000) dollars (each a "Milestone #1 Common Share"), the deemed value of each Milestone #1 Common Share being the five (5) day volume weighted average price (the "VWAP") of the common shares of the Company calculated from the date that the Milestone #1 payment has been earned.

Milestone #2

If the AI Business signs contracts to install CHP units in buildings containing not less than 2,000 additional residential units over a minimum of seven (7) buildings (excluding 2181 Yonge and 2191 Yonge) within twenty-four (24) month period following the closing (the "Milestone #2"), the vendors will be rewarded with additional Common Shares equal to the greater value of Common Shares worth
two million ($2,000,000) dollars or 2,000,000 Common Shares (each a “Milestone #2 Common Share”). The deemed value of each Milestone #2 Common Share shall be based on the five (5) days VWAP of the Common Shares calculated from the date that the Milestone #2 payment has been earned.

The Consideration Shares, and if issuable, the Milestone #1 Common Shares and Milestone #2 Common Shares will be subject to a 4-month plus one (1) day hold from the date of issuance, in addition to any applicable NEO Exchange policies and applicable securities laws.

European Business Update

A press release will be forthcoming regarding the exciting milestones achieved over the last 6 months in Belgium, and anticipated ongoing progress towards commercial product viability as well as the integration benefits with AI Renewable.

Management and Board Changes

The Company is pleased to announce that Dr. Richard Lu has joined the board of directors. Dr. Lu replaces Mr. Eugene Beukman who has resigned as a director of the Company.

Dr. Lu has more than 25 years of global experience in the energy industry developing and implementing business strategies for organizations in North America, Europe and Asia. He is the President and CEO of Abundant Solar Energy Inc., an established and trusted developer, engineer, asset operator, and manager in the clean and renewable energy space in Canada and the US. He is an Independent Director at dynaCERT Inc. (DYA.TSE), a growing energy sector company that specializes in hydrogen application in the transportation industry. He was the Managing Director of Sky Solar Holdings Co., Ltd. (SKYS, NASDAQ), and the VP of Business Development at ARISE Technology Corporation (APV-T). Dr. Lu also previously held the position of Chief Conservation Officer and VP of Toronto Hydro Corporation, where he developed and executed a sweeping portfolio of Conservation, Demand Management and Distributed Energy programs and was instrumental in creating an energy conservation culture in Ontario. Prior to that he was the Vice-President of EHS, ensuring Toronto Hydro Corporation’s commitment to providing a safe and healthy workplace for employees and the strategies for achieving sustainable ESG development and growth are successfully met. Dr. Lu has held senior positions with Enbridge Gas Distribution, Husky Injection Molding Systems Ltd., and Dillon Consulting.

The Company also announces that Mr. Matthew Fish has been appointed the Interim Chief Executive Officer upon the departure of Mr. Jef Spaepen. Mr. Fish specializes in corporate and securities law and is the principal of Fish LPC. The Company expresses its appreciation to Mr. Spaepen for his time with the Company and wishes him success in his future endeavors.

ABOUT ALKALINE FUEL CELL POWER CORP.
The Company is focused on the development, production and commercialization of micro-combined heat and power (“micro-CHP”) systems based on alkaline fuel cell technology. A fuel cell is a clean electrical power conversion/generation system, akin to small power stations that provide electricity and an equivalent amount of heat for various purposes. Based on hydrogen powered alkaline fuel cell technology, our technology offers an energy source that generates zero CO2 emissions with pure water.
as the only by-product, making it ideally suited for residential and small- to medium-sized power markets. We believe Fuel Cell Power is well positioned to become a positive contributor to the global demand for clean energy, particularly in Europe where demand outpaces supply, and current technology remains inadequate to meet market needs. Further information is available on our website at https://www.fuelcellpower.com/ and we encourage investors and other interested stakeholders to follow us on LinkedIn, Twitter, Facebook, Instagram and YouTube. Our common shares are listed for trading on the NEO Exchange (“NEO”) under the symbol “PWWR” and on the Frankfurt Exchange under symbol 77R and WKN A3CTYF.

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Forward-Looking Information
This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. In certain cases, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “forecasts”, “intends”, “anticipates”, “believes” or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “occur” or “achieve”. Forward-looking statements may include, but are not limited to, statements with respect to the Company’s technology, intellectual property, business plan, objectives and strategy. Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future, which are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Alkaline Fuel Cell Power Corp. Some assumptions include, without limitation, the assumptions provided in this news release, the assumption that the results of the current gross operating income generating CHP unit will be duplicated for the potential projects in the pipeline; statements regarding the successful integration of the AI business into the Company’s business in a timely manner; management’s ability to secure potential projects in the pipeline; management’s ability to successfully develop the projects in the pipeline to generate operating income; management’s ability to transition the combined heat and power technology to a clean zero-emission hydrogen powered energy solution; the global addressable market for zero-emission hydrogen powered energy production units; the effectiveness and timelines to deploy management’s business strategy; the renewable energies sector and the Company’s future plans. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.
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