ALKALINE FUEL COMPLETES ACQUISITION OF AI RENEWABLE’S CHP BUSINESS

VANCOUVER, British Columbia, April 22, 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 completed the acquisition (the “Acquisition”) of the combined heat and power (CHP) generation business (the “CHP Business”) of AI Renewable 2018-I Limited Partnership, AI Renewable 2020-I Limited Partnership and 2191 Yonge Ltd. (collectively, “AI”), pursuant to the definitive agreements, previously announced on March 4, 2022.

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.

Upon closing of the Acquisition, the CHP Business will provide the Company with immediate recurring, long term gross operating income from a current active account. The CHP Business also 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.

AI’s 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 AI’s 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 of 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.

Pursuant to the terms of the definitive agreements, the Company paid a purchase price (the "Purchase Price") consisting 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 was applied against the cash consideration on closing. The remaining $1,000,000 cash payment shall be paid no later than January 2, 2023.
Early Warning Disclosure

The Consideration Shares were issued to AI Renewable GP 2020 Ltd. ("AI GP 2020"), resulting in AI GP 2020 becoming an insider of the Company by virtue of owning 11.9% of the issued and outstanding shares in the capital of the Company post-Acquisition. Prior to closing of the Acquisition, AI GP 2020 held no common shares or convertible securities of the Company. After giving effect to the Acquisition, AI GP 2020 owns and controls a total of 22,757,758 Consideration Shares, which represents 11.9% of the Company's issued and outstanding common shares on a non-diluted basis and up to 19.1% assuming that the Milestone #1 Common Shares and Milestone #2 Common Shares (as defined below) are issued and calculated on a fully diluted basis. AI GP 2020 acquired the Consideration Shares for investment purposes. AI GP 2020 intends to evaluate its investment in the Company and to increase or decrease its shareholdings from time to time as it may determine appropriate. A copy of the early warning report being filed by AI GP 2020 may be obtained by contacting the Company at 604-687-2038.

The Consideration Shares are subject to a statutory hold period of four (4) months and one (1) day from the date of closing the Acquisition.

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 CHP Business obtains “Green Loans” and/or government grants for the CHP 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 CHP 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.

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.
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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