



Acquisition of Patents & Issue of Equity and Warrants

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5 October 2022

Hydrogen Future Industries plc

("HFI" or the "Company")

Acquisition of Patents

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Issue of Equity and Warrants

Hydrogen Future Industries PLC (AQSE:HFI), a developer of proprietary wind and water-based green hydrogen production systems, announces the acquisition of a suite of international patents which are relevant to the systems being developed by the Company (the "Acquisition"), by its joint venture subsidiary HFI IP Holdings Limited.

Highlights:

- Acquisition significantly enhances IP around HFI's wind-based hydrogen production system
- Potential wider commercial applications for patents beyond HFI's systems - potential for early cash flow generation
- Acquisition being made by way of the forgiving of a loan to the Vendor, cash payments, issue of Consideration Shares at 10p and Warrants

The patents being acquired pursuant to the Acquisition (the "Patents") were granted to HW Power Limited (the "Vendor") in respect of work undertaken by Timothy Blake between 2015 and 2018, prior to him joining HFI as Chief Executive Officer of HFI Energy Systems Limited, the Company's wholly owned product development subsidiary.

The Patents, which are listed in the Appendix below, cover a range of works including ducted wind turbine rotor configurations; a dynamic telescopic tower to optimise wind farm energy production and reduce maintenance cost; a variable hydraulic drive and electro-magnetic clutch to increase efficiency and lower cost of energy production; and the conversion of stored energy to green hydrogen.

The Board believes the Patents may have commercial applications within both the Company's future wind-based green hydrogen production systems and the wider wind energy generation sector.

The Acquisition is being made by way of:

- the issue to the Vendor of 5,200,000 new ordinary shares in HFI at an issue price of 10 pence per share (the "Consideration Shares");
- the forgiving of a loan made to the Vendor by the Company on 16 December 2021 of US\$150,000 which was to acquire exclusivity rights with the Vendor for the Acquisition;
- additional aggregate cash payments of £33,000 ("Cash Payments"); and
- the issue to the Vendor of warrants over a further 2,500,000 new ordinary shares in HFI with an exercise price of 12 pence per warrant, which will expire three years from the date of issue (the "Warrants"). The first 1,625,000 will be issued today, 5 October 2022.

Under the terms of the Acquisition agreement, the Cash Payments, Consideration Shares and the Warrants will be issued to the Vendor according to the following schedule:

	Cash Payments	Consideration Shares at 10p	Warrants
Tranche 1 - to be issued immediately on completion of the Acquisition, being 4 October 2022	£33,000	3,450,000	1,625,000
Tranche 2*		1,750,000	875,000
Total	£33,000	5,200,000	2,500,000

* to be issued upon the earlier of the Company's achievement of certain development milestones or 12 months from the date

of completion of the Acquisition. Milestones include, *inter alia*, proof of efficiency of certain features of the 1 metre and 5 metre prototype systems.

The Tranche 1 Consideration Shares are subject to a 12-month lock-in agreement, expiring 4 October 2023. The Tranche 2 Consideration Shares are subject to a 12-month lock-in agreement from the date of issue.

Admission

Application has been made for the 3,450,000 Tranche 1 Consideration Shares to be admitted to trading on the Aquis Stock Exchange Growth Market ("Admission"). Admission is expected to occur at 8:00 am on or around 10 October 2022.

Total Voting Rights

Following Admission, the Company's issued share capital will comprise 33,250,000 ordinary shares, with each share carrying the right to one vote.

Related Party Transaction

HW Power Limited is considered a "Related Party" as defined under the AQSE Growth Market Access Rulebook as a result of Timothy Blake, a director of Hydrogen IP Holdings Limited, having also been a shareholder of the Vendor within a 12-month period of the Acquisition. The Acquisition therefore constitutes a related party transaction for the purposes of Rule 4.6 of the AQSE Growth Market Access Rulebook.

The directors of HFI independent of the Acquisition confirm that, having exercised reasonable care, skill and diligence, the related party transaction is fair and reasonable insofar as the shareholders of HFI are concerned.

David Ormerod, Executive Director of HFI, commented:

"By securing these Patents attached to earlier works undertaken by Timothy Blake we have significantly enhanced the intellectual property around the wind-based hydrogen production system we are developing. We look forward to beginning the testing of our 1m prototype unit in Montana, USA in this quarter, which we anticipate will last for several months prior to the construction of the first commercial scale units for testing.

"Additionally, given the considerable efficiency gains we believe our turbine will offer compared to existing open rotor wind turbines in use today, the commercial applications for our Patents may not be limited to hydrogen and could be of value in the wider wind energy generation sector. We will certainly be exploring wider commercial applications for the Patents beyond HFI's systems, potentially as an avenue for early cash flow generation."

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Inside Information

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

Caution Regarding Forward Looking Statements

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

only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

Appendix - Schedule of Patents

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

SYSTEM PCT/IB2013/001037)
AND
METHOD
FOR USING
SAME

WIND National Stage China
ENERGY (under
SYSTEM PCT/IB2013/001158)
AND
METHOD
FOR USING
SAME

WIND National Stage China 30/10/2018 201380030401.5
ENERGY (under
SYSTEM PCT/IB2013/001037)
AND
METHOD
FOR USING
SAME

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

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