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Next Hydrogen Corporation and BioHep Technologies Ltd. Announce Closing of Oversubscribed Private Placement Financing

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TORONTO, April 29, 2021 (GLOBE NEWSWIRE) -- Next Hydrogen Corporation ("**Next Hydrogen**" or the "**Company**") and BioHep Technologies Ltd. ("**BioHep**") are pleased to announce the closing of an oversubscribed private placement on April 28, 2021 (the "**Financing**") of subscription receipts (the "**Subscription Receipts**") at a price of \$10.00 per Subscription Receipt for aggregate gross proceeds of \$55,545,000.

"Our unique and patented water electrolyzer design enables high current density operations, a superior dynamic response, and multi-MW scale hydrogen production. Together, this provides a strong technological advantage to significantly reduce the cost of green hydrogen generation that can decarbonize large segments of the economy," said Raveel Afzaal, President and CEO of Next Hydrogen. "This transaction fully funds Next Hydrogen's product development rollout plan through to 2023 which includes commercialization of a 1 to 3MW alkaline electrolyzer line this year followed by product lines for PEM electrolyzers and larger alkaline electrolyzers."

Summary of the Financing

The Financing was completed in connection with a series of transactions that will result in the reverse takeover of BioHep by the shareholders of Next Hydrogen (the "**Transaction**"). Upon completion of the Transaction, it is the intention of the parties that BioHep (the "**Resulting Issuer**") will continue on the business of Next Hydrogen. Closing of the Transaction is conditional on, among other things, BioHep completing the spin-out of certain assets and liabilities, the TSX Venture Exchange approving the listing of the common shares of the Resulting Issuer ("**Resulting Issuer Shares**") and other customary conditions. Further details of the Transaction were previously announced by Next Hydrogen and BioHep on March 4, 2021. For purposes of the Transaction, the deemed value of each common share of Next Hydrogen will be \$10.00, such price being based on the pricing of the Financing.

An aggregate of 5,554,500 Subscription Receipts were issued in connection with the Financing. Each Subscription Receipt entitles the holder thereof to receive, upon the satisfaction or waiver (to the extent such waiver is permitted) of certain escrow release conditions (the "**Escrow Release Conditions**") prior to the Escrow Deadline (as defined below), including all conditions precedent to the Transaction being satisfied, and without payment of additional consideration therefor, one common share in the capital of 2819845 Ontario Inc. ("**281**"), a wholly-owned subsidiary of BioHep which will ultimately be exchanged for one Resulting Issuer Share, all in accordance with the terms of the amalgamation agreement dated March 3, 2021 between Next Hydrogen, BioHep and 281.

The Financing was comprised of a brokered private placement for aggregate gross proceeds of \$28,545,000 (the "**Brokered Financing**") and a concurrent non-brokered private placement for aggregate gross proceeds of \$27,000,000 (the "**Non-Brokered Financing**").

National Bank Financial Inc. and TD Securities Inc. acted as active bookrunners on behalf of a syndicate of agents, including Echelon Wealth Partners Inc. as a passive bookrunner, Raymond James Ltd., Roth Canada ULC, Beacon Securities Ltd. and Fort Capital Securities Ltd. (collectively, the "**Agents**"), in connection with the Brokered Financing. Fort Capital Partners acted as the finder and strategic advisor, and Echelon Wealth Partners Inc. acted as an advisor, in connection with the Non-Brokered Financing (collectively, the "**Advisors**").

In connection with the Brokered Financing, the Agents are entitled to receive a cash commission equal to an aggregate of 6.0% of the gross proceeds of the Brokered Financing other than in respect of \$16,000,000 in Subscription Receipts, on which the Agents are entitled to receive a cash commission equal to an aggregate of 4.0% of such gross proceeds (the "**Agents' Fee**") and a finder is entitled to receive a cash commission equal to an aggregate of 4.0% of such \$16,000,000.00 of Subscription Receipts. In connection with the Non-Brokered Financing, the Advisors are entitled to receive a cash commission equal to an aggregate of 6.0% of the gross proceeds of the Non-Brokered Financing (the "**Advisor Fee**"). On closing of the Brokered Financing, the Agents

received payment of 50% of the Agents' Fee and any expenses incurred by the Agents at the closing of the Brokered Financing and the finder received 50% of their finder's fee. On closing of the Non-Brokered Financing, the Advisors received payment of 50% of the Advisor Fee and any expenses incurred by the Advisors at the closing of the Non-Brokered Financing. The remaining 50% of the Agents' Fee and 50% of the Advisor Fee will be paid to the Agents and Advisors, as applicable, upon satisfaction or waiver (to the extent such waiver is permitted) of the Escrow Release Conditions.

The gross proceeds (less 50% of the Agents' Fee, 50% of the finder's fee, 50% of the Advisor Fee and any expenses incurred by the Agents and Advisors at closing of the Financing) (the "**Escrowed Proceeds**") from the Financing will be held in escrow pending the completion of the Transaction which is expected to close on or about the end of April 2021. If all conditions to the completion of the Transaction are satisfied on or before the date that is 90 days from the closing of the Financing or such later date as may be agreed to by the Agents and the Company (the "**Escrow Deadline**"), the net proceeds from the sale of the Subscription Receipts will be released from escrow to the Resulting Issuer and each Subscription Receipt will be exchanged through a series of steps under the Transaction for one Resulting Issuer Share. If the Transaction is not completed on or before the Escrow Deadline or is terminated at an earlier time, then the Escrowed Proceeds (plus accrued interest) for the Subscription Receipts will be returned to subscribers on a pro rata basis. To the extent that the Escrowed Proceeds (plus accrued interest) are not sufficient to satisfy the subscription price paid each subscriber, the Company will contribute such amounts as are necessary to satisfy the shortfall.

All Subscription Receipts issued in connection with the Financing are subject to a statutory hold period in accordance with Canadian securities laws. Following completion of the Transaction, the Resulting Issuer Shares ultimately issued to holders of the Subscription Receipts will not be subject to a statutory hold period in Canada.

Upon completion of the Transaction, the proceeds of the Financing are anticipated to be used to further develop the Company's products, hire additional team members, conduct research and development, repay certain indebtedness of the Company and for general corporate purposes.

The Company is also pleased to announce that it has entered into an advisory agreement with Fort Capital in connection with introductions to corporations and organizations that could have an interest in the electrolyzer technology developed by Next Hydrogen for commercial purposes (each, a "**Commercial Transaction**"). Pursuant to the advisory agreement, Next Hydrogen has agreed to pay a cash fee of \$75,000 and warrants to purchase 150,000 common shares at an exercise price of \$10.00 per share plus a commercial transaction fee of warrants to purchase common shares equal to 3.0% of any future Commercial Transaction value at an exercise price equal to the market price of the common shares prior to the announcement of each Commercial Transaction.

About Next Hydrogen

Next Hydrogen is a designer and manufacturer of electrolyzers that use water and electricity as inputs to create clean hydrogen for use as an energy source and to decarbonize transportation and industrial sectors. Founded in 2007, Next Hydrogen's innovative water electrolysis technology, with patented cell architecture, is designed to efficiently convert intermittent renewably-sourced electricity into green hydrogen on an infrastructure scale. Next Hydrogen's IP includes 36 granted patents with several more pending and a well-laid out technology development roadmap for new product offerings, including both larger alkaline systems as well as PEM systems.

Next Hydrogen's head office is located in Ontario and the Company is a corporation existing under the *Business Corporations Act* (Ontario).

Additional Information

Borden Ladner Gervais LLP is acting as legal counsel to the Company, and Goodmans LLP is acting as legal counsel to the Agents.

Investors are cautioned that, except as disclosed in the management information circular or listing statement to be prepared in connection with Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a non-listed issuer should be considered highly speculative.

Neither the TSX Venture Exchange, Inc. nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) has in any way passed upon the merits of the Transaction and associated transactions and neither of the foregoing entities accepts responsibility for the adequacy or accuracy of this release or has in any way approved or disapproved of the contents of this press release.

For further information, please contact:

Next Hydrogen Corporation
Raveel Afzaal, President and Chief Executive Officer

BioHep Technologies Ltd.
Donald Gordon, Director

Cautionary Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws relating to the proposal to complete the Transaction and associated transactions or a Commercial Transaction, including statements regarding the terms and conditions of the Transaction or a Commercial Transaction, the business plans and objectives of Next Hydrogen and the Resulting Issuer, expectations for other economic, business and competitive factors and approval of regulatory bodies. Although the Company believes in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate and that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements depending on, among other things, the risks that the parties will not proceed with the Transaction or a Commercial Transaction; the Transaction and associated transactions (including the Financing) or a Commercial Transaction will differ from those that currently are contemplated; and that the Transaction and associated transactions or a Commercial Transaction will not be successfully completed for any reason (including the failure to obtain the required approvals or clearances from regulatory authorities). The terms and conditions of the Transaction may change based on the Company's due diligence and the receipt of tax, corporate and securities law advice for Next Hydrogen and BioHep. The statements in this press release are made as of the date of this release.

The common shares have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.