ADVANCED HYDROGEN TECHNOLOGIES
GROUP

QUARTERLY SHAREHOLDER UPDATE Q2 2023

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CHIEF EXECUTIVE OFFICER OPENING STATEMENT

BEN KATTENHORN

With the development of all companies from concept through to commercialisation, there will be periods where challenges and frustrations inevitably arise, and this past quarter was one such period. Hitherto, progress at AHT has been rapid, akin to a high-speed train, but the second quarter of 2023 has presented us with challenges that we have had to contend with, whilst still driving the business forward.

Following a highly productive Q1, during which our Chief Technology Officer and his team designed from a white paper and constructed the system for the diesel locomotive, code name "R4", the first half of Q2 involved rigorous testing of the system. With only a handful of minor tweaks required, the team from our side was ready for installation. We were buoyed by the progress made, as the primary focus for the second quarter was to complete the installation with a view to securing the second order. It was at this point that our frustrations began, starting with the client being unable to provide the specific power supply to the installation location, followed by staff shortages, which led to delays and postponements. Even after the staff shortages had been resolved, the train electrician identified a requirement for a specialised item to achieve our requested specifications. Consequently, we faced a delay of between six and eight weeks, and by the end of that period, the contract staff were no longer available to complete the task. This has proven immensely frustrating, as I'm sure you can imagine.

Further frustrations arose during the final test conducted from the removal firm with Engine Carbon Clean and Capture. In the second quarter, we had planned to complete the first 12-month test, and collate the data and information so we would have it to hand to then move forward with interested parties. However, in May, we were informed that the "Test Vehicle" had entered the body shop and would be unavailable for a minimum of eight weeks.

As for our other projects, I am pleased to report that we continue to progress towards commercialisation. However, rather than the significant leaps forward that we have been making over the past 18 months, we are now taking more controlled, incremental steps. Our focus lies in positioning the systems in a manner that appeals to institutional investors and wealth managers that engage with companies at a specific level of maturity based on the Technology Readiness Levels (TRL) methodology.

The TRL methodology is a scale that indicates the level of commercialisation readiness for a project. The scale ranges from 1-9, with 1 representing "Basic principles observed and reported" and 9 being "Actual system "flight proven" through successful mission operations".

On a brighter note, our triumph at the H2 Awards in February has significantly raised our profile, to the extent that we have been approached to be featured in a book about leadership and innovation, which is being written for King Charles in honour of his 75th Birthday and 2023 Coronation. AHT has been selected as the sole representative of the hydrogen industry to appear in the book, with the authors impressed by how we have grown the Company over the past two years, and our innovative approach in such an important arena, one that holds deep significance for the King. To date, I have already been interviewed, and will take part in further discussions ahead of the book's launch on King Charles's 75th birthday on 14 November 2023. The book will be sent in physical and electronic format to around 150 million people worldwide, including members of the House of Commons and the House of Lords, bureaucrats across Westminster and Whitehall, as well as members of the European and Commonwealth parliaments, government agencies, and other Royal families and diplomats around the world.

We are hopeful that through this additional publicity we will be able to attract the attention of large private equity firms, institutional investors, and venture capitalists, and therefore the timing of the book's publication for King Charles could not be more fortuitous.

As always, I trust you will find this quarterly update an enjoyable and informative read. The video version will be available on our YouTube Channel. If you have any questions, please feel free to reach out to me or any member of our team.

Ben Kattenhorn,
Chief Executive Officer
July 2023

AHTGL PRODUCTS, TECHNOLOGY AND APPLICATIONS

BEN KATTENHORN

AHTGL: PRODUCTS, TECHNOLOGY, AND APPLICATIONS

1. CHIMERA
2. ATHENA
3. ENGINE CARBON CLEAN AND CARBON CAPTURE – H2GOGO
4. THEA POWER

1. CHIMERA

What is Chimera?

Chimera is a miniaturised Hydrogen generator that can supply energy, on demand, to power a standard gas boiler, providing cheap energy and becoming carbon-neutral if the input is green, ensuring a sustainable supply for central heating and hot water.

Quarterly Review

We continued our engagement with KIWA to renew the CE Mark (from H2GoGo), and we are actively exploring extending this accreditation to Chimera. As part of these efforts, AHT's CEO visited KIWA's UK headquarters in Cheltenham, where he met with their technical team and senior management to discuss the current status of Chimera, progress with its development, and the processes that have been implemented to date.

KIWA has shown a keen interest in Chimera and recognises the potential benefits of providing localised energy production on demand. Indeed, KIWA has been implementing a similar initiative on a larger scale to supply hydrogen to their test facilities, as there has been a significant increase in demand from their clients to test hydrogen-based products such as boilers, stoves, fireplaces, and more. Based on their observations, KIWA believes that Chimera can play a substantial role, perhaps even a pivotal one. With extensive equipment testing underway, all of which require hydrogen, AHT stands out as the sole provider of the critical supply solution.

We have agreed with KIWA that their team will visit the AHT innovation lab in Harlow once our Chief Technical Officer and his team have completed further tests and made necessary adjustments.

Turning to progress with Alpha Boilers, the UK arm of the Immergas Group, we feel extremely fortunate to have secured such a cooperative and supportive partner. Alpha has not only provided additional equipment, but also shared invaluable insights and knowledge about the boiler that we would not have been able to obtain without their assistance.

2. ATHENA

What is Athena and why was it created?

Athena, named after the Greek Goddess of Wisdom, is AHT's software, developed in-house, that controls Chimera and Thea, controlling how much Hydrogen is produced on demand, and controlling the flow. Athena also watches over Chimera and Thea, logs the data on how much power is used, the Hydrogen produced, and how many times it has cleaned itself; overarching knowledge and control, with all this information being available to AHTGL in a real-time data stream. Athena will manage all subscription services for both current and future AHT products.

Quarterly Review

During this second quarter, development efforts with Athena have been primarily focused on enhancing the control of the R4 system, and, as discussed in the CEO's statement, managing the power supplied to the system from the train itself. These advancements have resulted in improved timing for cleans, specifically through the draining of used water, which has provided us with valuable insights into the durability of the electrolyser plates.

We firmly believe that all information, irrespective of the outcome, plays a vital role in advancing our understanding and progress. Consequently, as Athena continues to acquire greater access and control, it concurrently enables our systems – be it Chimera, ECC, or Thea – to become less dependent on external suppliers and control mechanisms. This progressive transition toward self-reliance further strengthens AHT's position in the industry.

3. ENGINE CARBON CLEAN & CAPTURE (ECC&C) – H2GOGO

What is ECC&C – H2gogo?

ECC (the commercial side) and H2GoGo (the franchisee side) are the two entities that control and run the Carbon Cleaning and Capture side of AHTGL. H2GoGo cleans internal combustion engines on the public facing side, and is commercialised through having four franchisees. The clientele is comprised of individuals who have had an emissions failure on their MOT, or who are enthusiasts who see carbon cleaning as an integral part of the annual service for their vehicle. ECC is a wholly-owned subsidiary of AHT, and engages with commercial clients such as the removal firm, which gives a clear separation between the two similar companies that utilise the same AHT technology.

Quarterly Review

As discussed in the CEO statement, the second quarter presented several challenges for ECC&C, primarily due to client-induced delays from staff disruptions, coupled with locating specific equipment to achieve our requested specifications. However, our CTO and his team have persevered and formulated a strategy to overcome these obstacles.

In an effort to mitigate the delays, our team approached the client and proposed that AHT provide the staff, address the parts supply issue, and assume full control of the process. In so doing, we would ensure complete control over this installation and of the second R4 system, should the order be placed. The client has agreed to this proposed arrangement, and our newly

employed Electronics and Software Designer for Athena, Brian Clewer, has already made remarkable progress in building the required parts, thereby reducing what could have been up to an eight-week delay. In addition, we have enlisted the services of a rail electrician, who has reviewed Brian's plans and validated their feasibility. We are now at the point where we anticipate tangible results, and believe the third quarter holds genuine promise for ECC&C.

As discussed in the CEO statement, the test with the removal company has faced a delay due to the test vehicle being in the body shop for a minimum of an eight-week period. Whilst this situation is frustrating, it is entirely beyond AHT's control. We remain committed to carrying out the final test as soon as the vehicle becomes available.

On the H2GoGo front, we are pleased to announce that the new website will be operational by the end of this month. Over the past few weeks, AHT has consolidated all its social media outlets into a unified hub. This centralisation will enable franchisees to easily submit their videos and reports to AHT, allowing us to maintain control over the website. This integration will provide our franchisees with the confidence to produce media content whilst working, as it effectively disseminates information about the carbon cleaning process and the benefits of having one's car carbon cleaned from a centralised location.

4. THEA POWER

Thea, or to give the product its full name – Thea Power, is the next evolution of AHT's suite of products, namely the generation of electricity. Following discussions between the team, we have been able to determine that generation should be treated in the same manner as Chimera, using the baseline technology to produce the hydrogen to power Thea.

Quarterly Review

Thea has provided welcome respite for the CTO and his team from the challenges encountered with the installation of the R4 system with the rail company. The team has conducted tests that have explored alternative methods of harnessing power from the Thea system and optimising energy utilisation, particularly in the context of heat generation. Once the path is clear from other distractions posed by ongoing matters, the team is optimistic that significant progress will be made, which will start to reveal the true potential of Thea.

CORPORATE DEVELOPMENTS

Commemorative Book Produced For King Charles's 75th Birthday

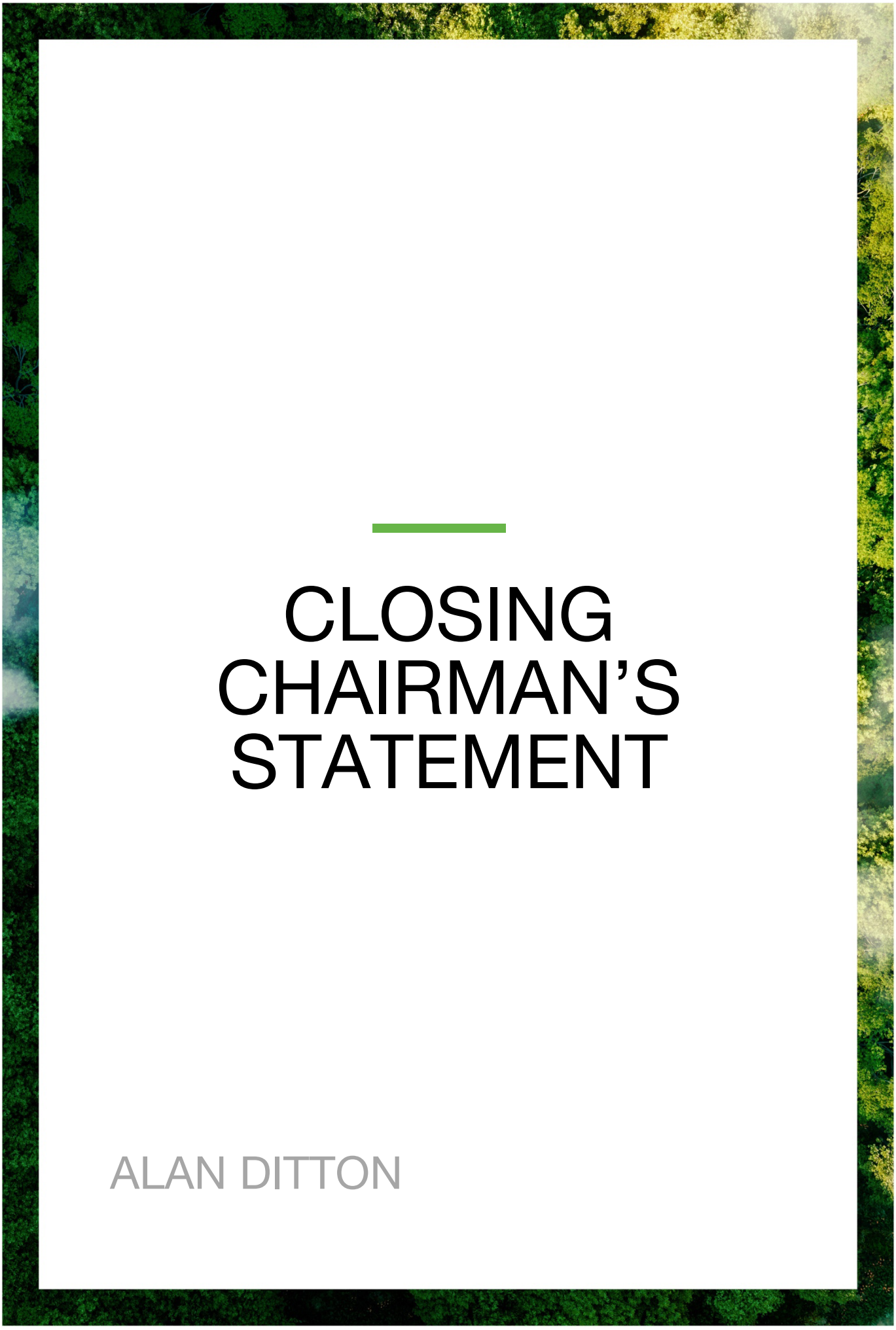
AHT is proud to announce that it will feature in a commemorative album produced by St James's House for His Majesty King Charles III's Coronation and 75th birthday. The book, titled "Future Leadership and Innovation", is authored by King Charles biography, Robert Jobson, and will showcase images taken by royal photographer, Arthur Edwards.

Following its triumph at the H2 Awards in February, AHT was selected as the sole representative of the hydrogen industry to feature in the book, which will serve as an opportunity for the Company to showcase its revolutionary technology and the advancements it is making in the hydrogen sector.

The launch event for the book will take place at Claridge's in London's Mayfair on King Charles's 75th birthday, 14 November 2023, and is expected to have a significance presence of politicians, bureaucrats, press, and media, which will create an outstanding networking opportunity for AHT to further enhance its industry presence.

Following its publication, the book will be distributed in physical and electronic format to around 150 million people worldwide, including members of the House of Commons and the House of Lords, special advisers, researchers, and staff across Westminster and Whitehall, as well as members of the European and Commonwealth parliaments, government agencies, and other Royal families and diplomates around the world.

We are honoured that AHT has been selected to feature in such an exceptional project, and we eagerly anticipate the wide-reaching impact and recognition this collaboration has the potential to bring about.



CLOSING CHAIRMAN'S STATEMENT

ALAN DITTON

As a Board we need to have peripheral vision learning from the past, looking to the future, and being mindful of the ever changing ‘industry’ landscape.

Ben has articulated that we have been moving forward at phenomenal speed over the last c.30 months. It feels like a lifetime. Our strength is to challenge ourselves, and to this end we made Board and Shareholder focused decisions to consider the projects, our people and how we create a better business.

As such, after much sole searching, a collective and collaborative decision was made to allow the CTO and his enlarged team to get the products in the best shape for the wider world. We decided that we needed to do this without the interruptions caused by Ben, Burns, and myself arranging visits to Unit 17, despite our eagerness to showcase our achievements.

This focused approach will hold us in good stead for the delivery of ‘R4’, completion of the 12-month data collection, and the envisaged output from the involvement with the King Charles publication. From these areas we look to drive the business forward and derive revenue streams which will help the next phase and objectives of AHT.

Thank you to all our supportive shareholders, and please feel free to contact myself and my fellow Directors should you wish to discuss this update and/or the business in general.

Alan Ditton, Chairman
July 2023

VIDEO OF BEN KATTENHORN'S QUARTERLY STATEMENT:

To view a video of Ben Kattenhorn giving his quarterly statement to shareholders, please click on the following link, or hit play on the embedded video below:

https://youtu.be/c1V_9mcIH3ERxfwACEKsi8