ADVANCED HYDROGEN TECHNOLOGIES
GROUP

QUARTERLY SHAREHOLDER UPDATE Q3 2023

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Date: **14/10/2023**
Shareholder Update Number: **005**

ahtgroup.co.uk

CHIEF EXECUTIVE OFFICER OPENING STATEMENT

BEN KATTENHORN

During the summer months of July, August, and September, traditionally associated with a seasonal slowdown across various industries, including our own, we have capitalised on this period to make significant strides in our research and development efforts across all our current projects.

The locomotive carbon cleaning and capture system, code named “R4”, awaits installation, which has enabled us to seize the opportunity to enter a government grant competition, which, if successful, will not only cover the costs for our planned testing, but also provide access to a government facility for additional testing.

I am pleased to report that we have made substantial progress, and currently find ourselves in the final stages of the competition. Whilst the results of the competition are not due for a few more weeks, we are cautiously optimistic of being able to share positive news in our next update covering the fourth quarter.

Elsewhere, we have encouraging news regarding the completion of testing by Analize UK Limited on behalf of the removal firm for AHT’s Engine Carbon Clean and Capture. The final readings were concluded last week, and Analize is currently compiling its report, which we anticipate receiving by the end of October. The readings have met our expectations, and we are very much looking forward to presenting the results to both the parent company of the removal firm and other potential clients.

Our other projects, Chimera and Thea, are both progressing as planned. The close alignment of both means that advancements in one project positively impact the other, thereby creating a synergistic effect by association.

Looking ahead to the fourth quarter, we are eagerly anticipating the release of the King Charles III Book, in which we are featured. The book’s launch is scheduled for 14th November, and we believe it will provide a significant boost to our brand, both within the Commonwealth and globally.

As always, I trust that you will find this quarterly update both enjoyable and informative. The video version will be available on our YouTube Channel. If you have any questions, please don’t hesitate to reach out to me or any member of our team.

Ben Kattenhorn,
Chief Executive Officer
October 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

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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

Despite the distractions related to the "R4" project, and testing with Analize on behalf of the removal firm, we focused our resources on refining and testing Chimera, with the goal of positioning it as an individual unit responsible for the safe and efficient creation, control, and distribution of hydrogen to the boiler.

We are pleased to report that our Chief Technical Officer and his dedicated team have now successfully achieved this milestone, which has enabled us to invite KIWA to come and view the system to ensure its compliance with all regulatory requirements. Our objective is to have full engagement with KIWA over the coming months to undertake a complete assessment of the Chimera System. Whilst we anticipate this testing process may take up to six months, we will be proactive in trying to expedite this timeline.

It would be remiss not to acknowledge the invaluable support provided by Alpha Boilers and their team. Their expertise in navigating the regulatory landscape has been instrumental in guiding us on KIWA's expectations and how these requirements may impact the operation of Chimera and its relationship with their boiler.

Accordingly, we continue to prepare the Chimera System for regulatory approval, whilst working with Alpha to ensure the boiler performs seamlessly.

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

Athena, under the expertise of Brian Clewer, has undergone its own necessary adaptations to align with the changes made to Chimera, whether due to regulatory requirements or design enhancements. Notably, we have incorporated additional safety requirements, such as the "sniffer", a small, but crucial addition, that can detect alterations in the surrounding air, specifically targeting certain gases, including hydrogen. In the event of a detection, Athena is now programmed to promptly shut down the Chimera System. We consider this to be a simple, yet high effective and essential enhancement.

While this section of the update may seem repetitive, our Chief Technology Officer often emphasises the importance of data, *"data, data, data, that is what we need."* With Athena, we have the capability to collect and analyse extensive data. Furthermore, we anticipate that Athena will continue to evolve and expand its capabilities, and, thanks to Brian's expertise, we're confident in our ability to enhance our data acquisition processes further.

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

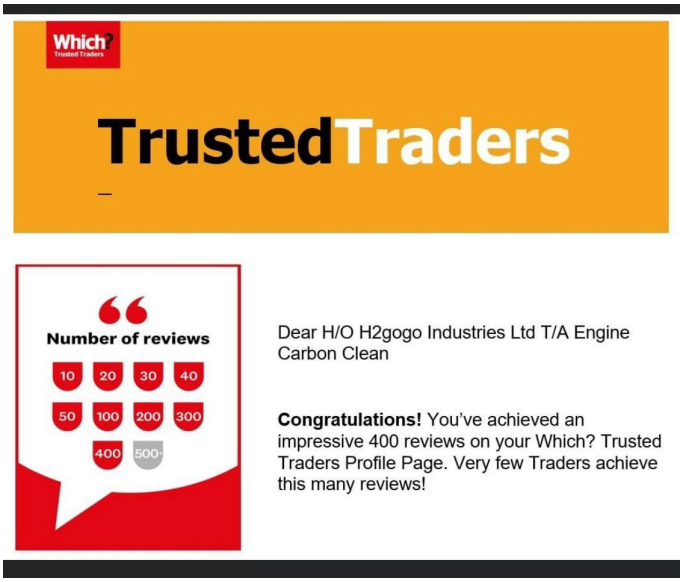
As highlighted in the CEO's opening statement, the third quarter has brought both challenges and opportunities for Engine Carbon Clean & Capture (ECC&C). Starting with the challenges, unfortunately the installation of "R4" has not yet been completed. Although we believed we had a promising solution, it was ultimately rejected by the rail company's owners, and consequently we've been awaiting their proposal to address the fitting issue. Our Chief Technology Officer is also actively exploring an alternative solution that we hope will be accepted.

The silver lining amid this delay is that we were able to seize an opportunity to enter the ECC&C system into a government grant competition focused on improving carbon emissions within the rail industry. The competition also aims to assist the winners with enhancing the commercial viability of their entries.

We're pleased to advise that we have advanced to the final stage of the competition, with all necessary interviews having been conducted. However, we'll need to wait until later in October for the official results. As it stands, we're keeping our fingers crossed for a positive outcome.

As discussed in the CEO's opening statement, at the start of the month Analize UK Limited successfully completed the final readings for testing being conducted on behalf of the removal firm, and we anticipate receiving the results by the end of October. While the report may contain technical language where necessary, we're actively engaged with Analize to ensure that it contains more digestible summaries for those who prefer a less technical approach. We're pleased to share that we have already reviewed the initial results and are satisfied with the outcomes. Consequently, we are looking forward to sharing the results with stakeholders, as well as with potential clients.

As touched upon in our second quarter update, but worth mentioning again, the new ECC website is now live - https://enginecarbonclean.com. We invite you to explore the site and to share any feedback with us that you may have. Sometimes, a fresh perspective can be incredibly insightful.



Already the new website has made a significant impact to our online presence. We've climbed higher in the "Google Rankings", and we've experienced a substantial increase in enquiries regarding our services. In addition, we are in the process of introducing a new service, which we believe has the potential to drive further traffic to the site and convert such leads into clients.

It is also worth mentioning that during the third quarter, ECC achieved a remarkable milestone by surpassing 400 reviews on "WHICH?" Trusted Trader. This is an accomplishment that only a select few companies can boast of, and we believe we can attribute much of this success to our new website. We take great pride in reaching this milestone, and our heartfelt congratulations go out to our dedicated franchisees who have put in tremendous effort to make this happen. Looking ahead, we're excited about the prospect of both our existing and new franchisees reaching the next milestone of 500 reviews!

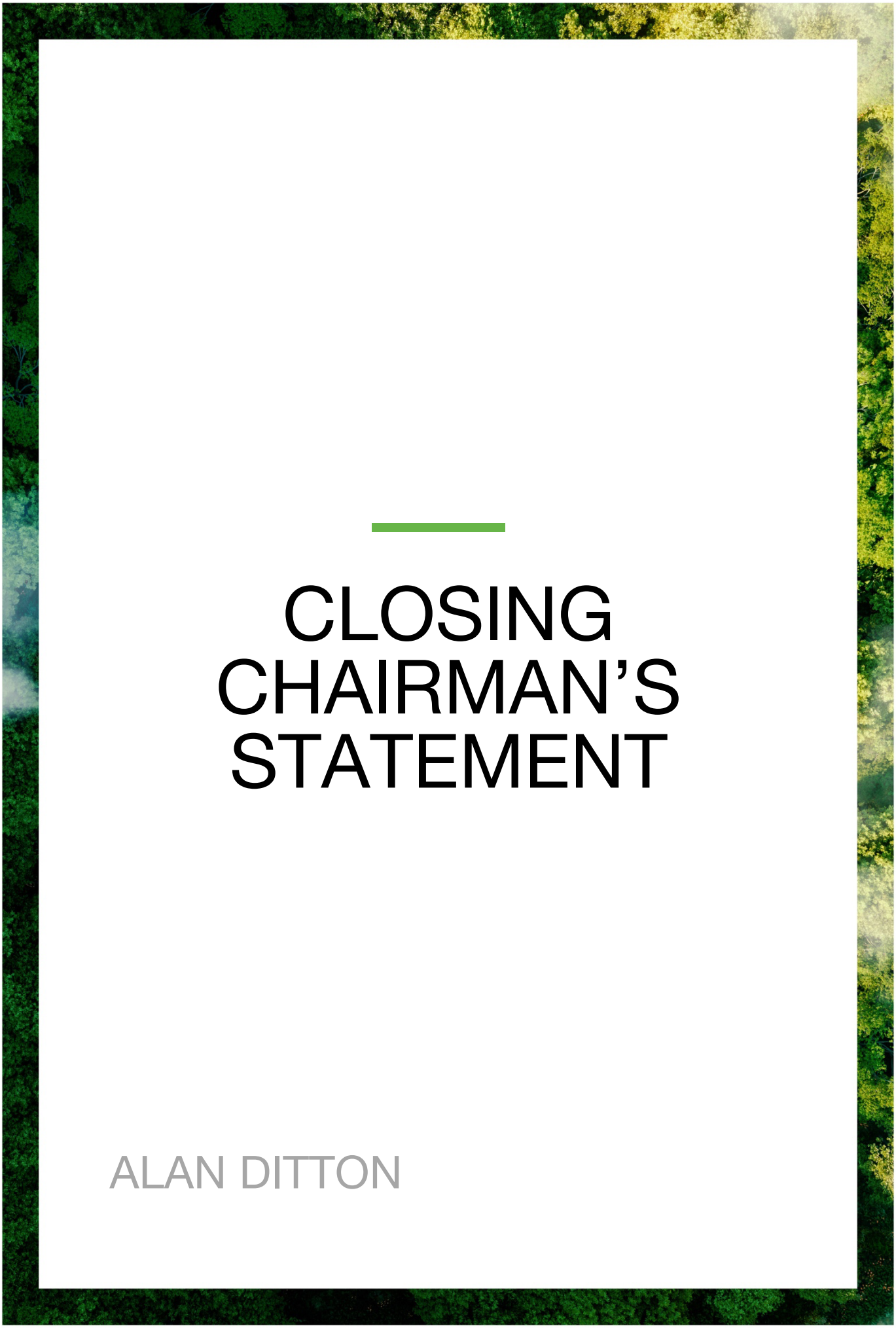
4. THEA POWER

What is Thea?

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

The close relationship between Thea and Chimera in terms of technological development has resulted in significant progress for both systems. In advancing the Chimera System, we've laid a solid foundation that should expedite the transition of Thea from a Proof of Concept to a fully functional prototype. While we understand that there will always be unique hurdles to overcome, we're committed to maintaining the fast-paced momentum that our entire team thrives on.



CLOSING CHAIRMAN'S STATEMENT

ALAN DITTON

The latest update reflects that our technology and its applications are now fast approaching material stages of their respective development cycles, with the regulatory approvals being a clear reflection of just how close we are to real-world application.

In conjunction with progressing through the various stages of approvals, our commercial discussions at present are focused on streamlining the optimum method(s) for realising value within our suite of applications. The technology and the way it is applied has allowed us to consider independent avenues for each application as opposed to a singular solution which has and will continue to provide broad opportunities for creative investments and corporate transactions.

During the months leading to the year-end, we will continue to explore strategic partnerships, whether that be potential joint-venture agreements at the direct asset level, long-term licensing agreements for the application of our technology, or, more recently, green-bond / pre-paid carbon credit facilities. The landscape for accessing capital appears to offer a vast array of non-equity financing alternatives that the Board would be foolish to ignore.

AHT feels like a swan moving calmly across the water, but there is a hive of activity below the surface. Q4 of 2023 should conclude the events and elicit more exciting news.

Alan Ditton, Chairman
October 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://www.youtube.com/watch?v=Unn54f8E028