ADVANCED HYDROGEN TECHNOLOGIES
GROUP

Q3 2024 SHAREHOLDER UPDATE

ADVANCED HYDROGEN TECHNOLOGIES GROUP LIMITED
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Date: 08/10/2024

Shareholder Update Number: 009

CHIEF EXECUTIVE OFFICER OPENING STATEMENT

BEN KATTENHORN

OCTOBER 2024 STATEMENT

For AHT, the first quarter of 2024 was dedicated to extensive testing, whilst in the second quarter we have focused on analysing the results of that testing and engaging with potential clients. By the third quarter, we shifted our attention to securing those clients.

With positive results in hand from both Millbrook and the BCIMO, our efforts in Q3 have focused on demonstrating how Engine Carbon Clean ("ECC") can significantly enhance ESG performance and fuel efficiency for potential clients.

One business that we have worked closely with for some time is Industrial Chemicals Limited ("ICL"), and I'm delighted to announce that ICL has agreed for us to start cleaning their fleet of 40-ton articulated lorries as part of their commitment to reducing carbon emissions.

Furthermore, they have asked us to explore the installation of our "Capture" device, not only for their existing fleet, but also ensuring it can be seamlessly transferred across to newer vehicles in the future. This will require significant expertise from our CTO and his team, and I'm confident they are more than capable of meeting this challenge.

AGM has also agreed for AHT to start cleaning the Abels section of their fleet. Once this initial phase is complete, we plan to discuss expanding our services to the rest of the AGM fleet.

I will provide further details on ECC in the ECC&C section of this update.

The testing of Chimera is progressing steadily at our designated testing location. While there have been some inevitable challenges, we are addressing them to ensure the system is fully prepared as we approach the colder months and shorter days.

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

Ben Kattenhorn
Chief Executive Officer

AHTGL: PRODUCTS, TECHNOLOGY, AND APPLICATION

BEN KATTENHORN

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

CHIMERA ZERO

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

As we approach the colder months in the UK, testing of Chimera is intensifying, with a focus on assessing the system's reliability under increased demand. In the coming weeks, the test site will shift from utilising Chimera solely for hot water needs – such as showers and washing up – to a more comprehensive trial that includes heating the entire property whilst maintaining hot water supply. This phase of testing will be crucial in pushing Chimera to its limits and evaluating its performance under real-world conditions.

AHT remains confident that Chimera will not only meet these demands but exceed expectations. One significant advantage has been the ability to make remote adjustments to Chimera via Athena. This capability has accelerated the pace of improvements and allowed for the rapid resolution of any issues, thereby expediting Chimera's development.

ATHENA CONTROL

What is Athena and why was it created?

Athena, named after the Greek Goddess of Wisdom, is AHT's proprietary software designed to control and optimise the operation of Chimera and Thea. It regulates the on-demand flow of hydrogen, ensuring efficient performance. Athena continuously monitors power consumption, hydrogen production, and system self-cleaning cycles, providing real-time data to AHT. This comprehensive oversight allows for proactive management and ensures peak performance. Athena will manage all subscription services for all current and future AHT products.

Quarterly Review

Athena has always been a system of continuous progression and development. This quarter, the focus has primarily been on its role within Engine Carbon Clean ("ECC"), as the system supporting Chimera is undergoing testing, as discussed, and is performing as expected.

As discussions and contract negotiations for ECC advance, the importance of Athena's capabilities has grown. In addition to its control and data logging functions, there is an increasing need for the system to relay additional information to both us and our clients. The team has been addressing these needs, including enhancing safety features and extending service intervals to ensure long-term reliability.

ENGINE CARBON CLEAN & CAPTURE

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. 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

Following the successful testing conducted in Q2, the next step has involved engaging with potential clients to refine our offering and tailor contracts accordingly.

We are pleased to announce that Industrial Chemicals Limited ("ICL") has committed to Engine Carbon Clean for their fleet, with services commencing this month, with cleans scheduled quarterly thereafter. In line with their ongoing commitment to reducing emissions, ICL has also requested an evaluation of how our carbon capture device can be installed on their current fleet, whilst also being transferable to their new vehicles. This project is set to commence in November. Additionally, Abels, part of the AGM Group, has agreed to have their fleet of vehicles cleaned, starting this month. Alongside the cleaning services, Abels has asked AHT to log emissions data before cleaning this year and after 12 months of service, in order to support their ESG reporting. This data will also be valuable for their clients, who rely on accurate reporting for their own ESG commitments.

We are now three-quarters of the way through a 12-week testing period with 1st Inrail, part of the RSK Group (https://rskgroup.com/), who are assessing the impact of ECC on a small section of their fleet of vehicles. Initial results show the expected reduction in emissions, and once testing is completed, we will formally present our findings to 1st Inrail and the RSK Group, which we are optimistic will lead to contract discussions.

AHT is also engaged in other promising discussions regarding the ECC service, which we will disclose once agreements are finalised. Notably, we have successfully secured a place on Balfour Beatty Rail's approved supplier list as of early October and we are now in discussions regarding the first pieces of machinery to be cleaned. This is a significant opportunity for AHT, as it could lead to inclusion on Balfour Beatty Rail's list of recommended suppliers for all of their subcontractors.

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

Thea's development is progressing steadily, without impacting our other ongoing projects. The CTO and his team have been making consistent headway as time permits, testing new adjustments and hardware. The advancements made with Athena and Chimera will be incorporated into Thea as part of the planned schedule.

CORPORATE DEVELOPMENTS

To successfully scale AHT's innovative products, we recognise the importance of having a strong balance sheet. This will not only strengthen our negotiating position, but also support further technological advancements, and the fulfilment of new key contracts.

With this in mind, we are pleased to announce the opening of our next round of funding. This round sets a new valuation floor for the business, reflecting our significant growth and achievements since our previous raise at 32p per share.

If any existing investors are interested in increasing their position, please feel free to contact me or any member of our team for further details. Thank you for your continued support and for being part of our journey.

CLOSING CHAIRMAN'S STATEMENT

ALAN DITTON

OCTOBER 2024 STATEMENT

The British Summer is behind us, which, if you blinked, you might have missed. I reflect on what has been a pivotal year for AHT.

We targeted 2024 as a year of focus and challenges, knowing that clear thinking, time optimisation, and resource management would be crucial. We have state-of-the-art technology at our core, and this year has been about moving towards commercialising our products across various sectors. The journey from concept and prototype to market can be tough for technology businesses, but we've benefited from clarity of thought, strategic direction, agility, and the immense support of our Board, Advisors, and Shareholders. What once felt like baby steps now looks more like large strides.

As we close out Q3, we've transitioned from being on the cusp of revenue generation to securing verbal and signed contracts. These contracts have the potential for organic growth as we extend our services to cleaning entire fleets and further enhance their emissions reduction efforts.

For some time, we've believed that we – and our technology – are in the right place at the right time. AHT Group is well-positioned, with a range of solutions that align with the growing emphasis on ESG compliance. Companies, along with their suppliers and customers, are required to adapt, and the pressure comes not just from expectations but from financial reporting obligations. While there may not be a single "silver bullet", our offerings are well-suited to help businesses meet their ESG goals in 2024 and beyond. Our products are already making an impact in both the road and rail industries, and we are receiving interest from both the UK and international markets.

Unlike some leaders who may feel deeply challenged at this stage, I find myself optimistic as we head into October 2024. If any of you have customers or contacts who might benefit from our solutions, please don't hesitate to reach out to Ben or myself.

Alan Ditton
Chairman

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=eU9FKNvH8MY

AHT

ADVANCED HYDROGEN TECHNOLOGIES

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