NextHydrogen

Next Hydrogen Reports Q3 2023 Financial Results

MISSISSAUGA, Ontario, Nov. 17, 2023 -- Next Hydrogen Solutions Inc. (the "Company" or "Next Hydrogen") (TSXV:NXH, OTC:NXHSF), a designer and manufacturer of electrolyzers, is pleased to report its financial results for the third quarter ended September 30, 2023.

"The focus for 2023 is to (1) achieve significant improvement in our product line, (2) demonstrate our second-generation product line, and (3) generate significant market traction," said Raveel Afzaal, President and CEO of Next Hydrogen. "We are well capitalized to achieve these objectives which will put us in a very competitive position for growth in 2024. The recently announced improvement in cell performance, new blue-chip industry partners such as Casale, GE and a $7.7M agreement for a nuclear application are helping us advance strongly towards our 2023 objectives."

Q3 2023 Financial Highlights

- Cash balance was $11.9 million as of September 30, 2023, compared to $15.9 million as of June 30, 2023
- Revenue was $53,399 and $143,095 for the three-month period and nine-month period, compared to $74,457 and $160,078, respectively, in the previous year.
- Net loss and comprehensive loss was $2.33 million and $8.67 million for the three-month period and nine-month period, respectively, compared to a loss of $3.90 million and $10.98 million, respectively, in the previous year

Management is proud to highlight several recent milestones that demonstrate significant recent progress:

- Next Hydrogen has met its energy efficiency targets cell performance of 1.90 V/cell at 1 A/cm2 and 70°C for its new second generation "GEN2" water electrolyzer technology which exceeded the recently reported US Department of Energy (DOE) technical targets status for energy efficiency. The GEN2 performance achievement is the beginning of the company's quest to achieve industry leading performance and is targeting further improvement in 2024.
- The Company has entered into a $7.7M agreement for a project involving a specialized nuclear application. Under the agreement, Next Hydrogen will conduct design engineering (Phase 1) and subsequently provide the electrolyzer needed (Phase 2) for the Project. A $5M purchase order has been received for Phase 1, which is expected to take place during 2024, with a follow-on order of $2.7M planned for Phase 2 with electrolyzer delivery expected to occur in 2025. This project will position the company to secure further contracts from the nuclear fusion industry and is very well aligned with its product roadmap for large scale green hydrogen production.
- Next Hydrogen and Casale SA ("Casale"), have signed a memorandum of understanding to develop green ammonia and methanol systems that integrate Next Hydrogen's electrolysis technology to offer a bundled package to customers. Under this agreement, the companies will bring together their collective experience and capabilities to accelerate and scale-up green ammonia and methanol plants connected to renewable energy sources. This collaboration provides a compelling pathway to producing clean, zero-emission ammonia and methanol from green renewable energy power sources.
- Next Hydrogen will be receiving advisory services and up to $750,000 in research and development funding from the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) toward the development and demonstration of the Company's next generation products. This will further help the Company accelerate its product roadmap and its mission of driving large scale adoption of green hydrogen solutions to decarbonize the global economy.
- The Company has been awarded $5.1 million from Sustainable Development Technology Canada (SDTC) towards the development and demonstration of the Company's next generation electrolysis technology. The SDTC project, with a budget of over $12 million will run to early 2025, resulting in the launch of a second-generation product line with cost and performance improvements and a third-generation larger scale product line with further cost and performance improvements. With the launch of these products, Next Hydrogen will be well positioned to support the needs of its customers for both near term market demonstrations and commercial large scale green hydrogen systems.

For a more detailed discussion of Next Hydrogen's third quarter results, please see the Company's financial statements and management's discussion and analysis, which are available on the Company's website at nexthydrogen.com or on SEDAR at www.sedar.com.

In addition, to better understand our achievements from 2022 and the outlook for 2023, please refer to the CEO letter included in the 2022 year-end MD&A using the following link: https://nexthydrogen.com/wp-content/uploads/2023/05/Next-Hydrogen-2022-MDA-FINAL.pdf

About Next Hydrogen

Founded in 2007, Next Hydrogen is a designer and manufacturer of electrolyzers that use water and electricity as inputs to generate clean hydrogen for use as an energy source. Next Hydrogen's unique cell design architecture supported by 40 patents enables high current density operations and superior dynamic response to efficiently convert intermittent renewable electricity into green hydrogen on an infrastructure scale. Following successful pilots, Next Hydrogen is scaling up its technology to deliver commercial solutions to decarbonize transportation and industrial sectors.

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This news release contains “forward-looking information” and “forward-looking statements”. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: the risks associated with the hydrogen industry in general; delays or changes in plans with respect to infrastructure development or capital expenditures; uncertainty with respect to the timing of any contemplated transactions or partnerships, or whether such contemplated transactions or partnerships will be completed at all; the timing for any submissions or correspondences with applicable securities laws regulators; uncertainty in respect to the timing of when the Corporation’s securities will resume trading; whether the uncertainty of estimates and projections relating to costs and expenses; failure to obtain necessary regulatory approvals; health, safety and environmental risks; uncertainties resulting from potential delays or changes in plans with respect to infrastructure developments or capital expenditures; currency exchange rate fluctuations; as well as general economic conditions, stock market volatility; and the ability to access sufficient capital. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, there will be no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change.