



CHARBONE HYDROGEN CORPORATION

PRESS RELEASE
For immediate release

CHARBONE HYDROGEN ANNOUNCES 2023 FINANCIAL RESULTS

Brossard, Quebec, APRIL 30, 2024 – [CHARBONE HYDROGEN CORPORATION](#) (TSXV: CH; OTCQB: CHHYF; FSE: K47) (the “Company” or “CHARBONE”), North America’s only publicly traded pure-play green hydrogen company, is pleased to announce the financial and operating results for the year ending December 31, 2023.

Significant progress continues to be reflected in 2023 year-end financials, as steps to strengthen the Company’s balance sheet and its 100% near-term focus on advancing North American green hydrogen production projects advance.

HIGHLIGHTS:

- Spending decreased 30% to \$2,961,451 in 2023 compared to \$4,207,280 in 2022 (activities refocus and tightening of general and administrative expenses).
- Revenue increased 1,158% to \$282,724 in 2023 compared to \$22,481 in 2022 (generated from the Wolf River acquisition on December 1, 2022).
- Positive net cash position on December 31, 2023 of \$55,123 compared to (\$28,467) debt at December 31, 2022:
 - Company disbursements from operating activities reigned in and down to \$1,513,910 in 2023 compared to \$3,922,918 in 2022;
 - The Company has closed private financings for gross proceeds amounting to \$1,258,297 and Units for debt settlement of \$747,228;
 - The Company received \$310,184 in advances from key management personnel; and
 - The Company also netted an additional \$300,000 in 2023 from Finexcorp financing agreement converted on September 30, 2023, to secured convertible debentures at a deemed price of \$0.10.

“Management’s resilience and drive to refocus business activities on green hydrogen production delivery, commercial growth scalability and strengthening our balance sheet have Charbone well-positioned to deploy its updated financing plan and complete its first project at Sorel-Tracy (Quebec, Canada) in the second half of 2024,” said Benoit Veilleux, Chief Financial Officer and Corporate Secretary of Charbone. “Additionally, a second green hydrogen production project in the Detroit, Michigan area is scheduled to be operational later this year. In total, CHARBONE plans to build and deliver 16 green hydrogen production facilities across North America by 2030.”



FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
INCOME		
Hydroelectricity income	\$ <u>282,724</u>	\$ <u>22,481</u>
EXPENSES		
General and administrative expenses (Note 17)	2,961,451	4,207,280
Depreciation of property, plant and equipment	177,289	112,092
Depreciation of right-of-use-assets	76,097	21,976
Impairment of assets (Notes 7 and 8)	69,000	-
Amortization of intangible assets	23,299	7,663
Loss on asset disposition	<u>11,588</u>	<u>-</u>
	3,318,724	4,349,011
OPERATING LOSS BEFORE THE FOLLOWING:	(3,036,000)	(4,326,530)
FINANCIAL EXPENSES (Note 18)	153,363	268,585
REVERSE ACQUISITION OF ORLETTO CAPITAL II (Note 5)	<u>-</u>	<u>2,788,422</u>
NET LOSS BEFORE INCOME TAX	\$ <u>(3,189,363)</u>	\$ <u>(7,383,537)</u>
Current income tax (Note 22)	6,698	-
Deferred income tax (Notes 14 and 22)	<u>(3,549)</u>	<u>-</u>
	3,149	-
NET LOSS	<u>(3,192,512)</u>	<u>(7,383,537)</u>



AS AT DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Net loss	\$ (3,192,512)	\$ (7,383,537)
Adjustments:		
Depreciation of property, plant and equipment	177,289	112,092
Interest on debentures (Note 18)	255,807	129,566
Depreciation of right-of-use-assets	76,097	21,976
Impairment of assets (Notes 7 and 8)	69,000	-
Amortization of intangible assets	23,299	7,663
Interest on lease obligations (Notes 13 and 18)	17,029	3,959
Loss on asset disposition	11,588	-
Share based compensation	5,021	180,948
Unrealized loss on foreign exchange (Note 18)	3,377	3,111
Gain on settlement of accounts payable (Note 15)	(280,824)	(2,783)
Deferred income tax	(3,549)	-
Consideration transferred in excess of net liabilities assumed on reverse acquisition (Notes 5 and 15)	-	2,559,245
Change in fair value of debentures (Note 18)	-	69,394
Changes in non-cash working capital items (Note 23)	1,324,468	375,448
Cash flows used in operating activities	(1,513,910)	(3,922,918)
INVESTING ACTIVITIES		
Changes in advances to key management personnel	310,184	132,359
Security deposits	51,914	-
Additions of property, plant and equipment (Note 7)	(121,655)	(772,543)
Business acquisition (Note 4)	-	(1,000,301)
Cash flows provided by (used in) investing activities	240,443	(1,640,485)
FINANCING ACTIVITIES		
Proceeds from issuance of units from private placement (Note 15)	1,258,297	5,097,919
Changes in short term loan	306,843	(11,945)
Issuance costs (Notes 15 and 16)	(13,925)	(531,226)
Payment of lease obligation (Note 13)	(150,080)	(57,242)
Interest paid	(38,125)	(54,647)
Debentures proceeds	-	1,200,000
Exercise of stock options (Note 15)	-	27,200
Fees related to lease obligation (Note 13)	-	(1,533)
Due to a company, without interest nor specific repayment terms	-	(4,000)
Debenture issuance expenses	-	(108,133)
Cash flows from financing activities	1,363,010	5,556,393
NET CHANGE IN CASH	89,543	(7,010)
EFFECT OF MOVEMENT IN EXCHANGE RATE ON CASH HELD	(5,953)	(16,497)
CASH (BANK INDEBTEDNESS) AT BEGINNING OF YEAR	(28,467)	(4,960)
CASH (BANK INDEBTEDNESS) AT END OF YEAR	\$ 55,123	\$ (28,467)



About Charbone Hydrogen Corporation

CHARBONE is an integrated green hydrogen group focused on delivering a network of modular green hydrogen production facilities across North America. Using renewable energy sources to produce green (H₂) dihydrogen molecules and eco-friendly energy solutions for industrial, institutional, commercial and future mobility users, CHARBONE plans to scale and deliver green hydrogen production facilities in both the US and Canada by 2024, with an additional 14 facilities planned by 2030. CHARBONE is the only publicly traded pure-play green hydrogen company with common shares trading on the TSX Venture Exchange (TSXV: CH); the OTC Markets (OTCQB: CHHYF); and the Frankfurt Stock Exchange (FSE: K47). For more information, please visit www.charbone.com

Forward-Looking Statements

This news release contains statements that are “forward-looking information” as defined under Canadian securities laws (“forward-looking statements”). These forward-looking statements are often identified by words such as “intends”, “anticipates”, “expects”, “believes”, “plans”, “likely”, or similar words. The forward-looking statements reflect management's expectations, estimates, or projections concerning future results or events, based on the opinions, assumptions and estimates considered reasonable by management at the date the statements are made. Although Charbone believes that the expectations reflected in the forward-looking statements are reasonable, forward-looking statements involve risks and uncertainties, and undue reliance should not be placed on forward-looking statements, as unknown or unpredictable factors could cause actual results to be materially different from those reflected in the forward-looking statements. The forward-looking statements may be affected by risks and uncertainties in the business of Charbone. These risks, uncertainties and assumptions include, but are not limited to, those described under “Risk Factors” in the Corporation’s Filing Statement dated March 31, 2022, which is available on SEDAR at www.sedar.com; they could cause actual events or results to differ materially from those projected in any forward-looking statements.

Except as required under applicable securities legislation, Charbone undertakes no obligation to publicly update or revise forward-looking information.

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