

## HydroGraph Releases CEO Letter to Shareholders

TORONTO, Jan. 17, 2024 -- [HydroGraph Clean Power Inc.](#) (CSE: HG) (OTCQB: HGCPF) (the “Company” or “HydroGraph”), a manufacturer of pristine graphene, today issued the following letter to its stakeholders from HydroGraph CEO Stuart Jara.

Dear HydroGraph Stakeholders, Colleagues and Friends:

Reflecting on 2023, I am incredibly proud of the significant progress HydroGraph has made to position us squarely on the path to secure our first major customer contracts. We have achieved key operational milestones, advanced our application development and established new commercial and strategic partnerships, despite the challenging macroeconomic and geopolitical environments. On the foundation of the progress made in 2023, the goals set for 2024 should position us to secure the first significant contract in 2024. We will also continue to develop our customer pipeline to ensure that we have a chain of additional customer contracts flowing into 2025 and beyond.

Below is a summary of the progress towards becoming a revenue-generating company and cashflow positive shortly thereafter:

- Built out our commercial scale, modular and repeatable graphene production unit, which has the capacity to produce 10 tonnes of high-purity fractal graphene a year, making HydroGraph the only company with the ability to economically scale up to market demand.
- Bolstered our commercialization pipeline. We are now working with more than 50 customers on 20 different applications with 23 testing agreements/NDAs signed, up from less than a dozen customers at the start of 2023. Twenty customers are taking enough graphene for testing in their end products.
- Entered a strategic collaboration with the University of Manchester’s Graphene Engineering Innovation Center (GEIC), an industry leading innovation center focused on accelerating application development and establishing additional HydroGraph R&D capabilities at the GEIC.
- Expanded application development showing how our high-purity graphene uniquely provides step-change improvements in billion-dollar markets, including in:
  - Lubricants: 70% lower coefficient of friction, 80% reduction in mechanical wear and 24X longer life;
  - Resins: 8 orders of magnitude increase in electrical conductivity and 14% increase in thermal conductivity;
  - EMI shielding: proven to meet consumer, aerospace and automotive requirements of 80 dB attenuation;
  - Energy storage: 47% increase in charge acceptance rate.
- Raised over \$3M to fund application development and commercialization initiatives.

Additional details on these accomplishments can be found on our website’s media tab: <https://hydrograph.com/media/>

### Focus for 2024 – Drive to Customer Contracts

The Company will be laser focused to secure its first major customer contracts. To do so, we will focus on three key areas.

#### Application Development:

Application development is a key driver of our commercialization strategy. We will build upon the success in 2023 and continue to develop applications so that customers can verify with test data how our graphene can successfully bond with host materials to provide unprecedented improvements in end products. The Company will continue its work with the GEIC as well as expand its North American application development capabilities. In 2024, we expect to announce specific application development work with customers and other institutions as well as further performance-enhancing results in key markets, including plastics, cement and concrete, and energy storage.

#### EPA Approval

Many in our industry overlook the need for regulatory approval of graphene. Regulations require approval of new chemicals and, in particular, 2D materials that are micro or, as in HydroGraph’s case, nano size. HydroGraph started early in the EPA approval process with the specific intent of avoiding regulatory compliance slowing down delivery of commercial-scale quantities to customers.

HydroGraph currently has approval to supply all required quantities for application development and R&D, meeting our current requirements. In 2023, the National Institute for Occupational Safety and Health (NIOSH) reviewed HydroGraph’s production process and confirmed that we operate well within safety and health levels. This very favorable report from NIOSH is a critical step in obtaining EPA approval. In 2024, we expect to receive full EPA approval for sale of large quantities of graphene in commercial applications.

#### Optimization of the Hyperion System

While we already have in the Hyperion System one of the only modular and scalable production units of high purity graphene in the market, we believe there are additional optimization opportunities. We will continue to optimize the existing unit to extract over 10% more volume. This will further reduce production costs and let us both reduce price to the customer and increase gross profit margin.

On the foundation of the progress made in 2023, the goals set for 2024 should position us to secure the first significant contract by the end of 2024. We will also continue to develop our customer pipeline to ensure that we have a chain of additional customer contracts flowing into 2025 and beyond.

2023 has been an exciting year and 2024 is poised to be even better for our Company. On behalf of the management team and the board of directors, I would like to thank:

- Our investors for their continued confidence and support;
- Our customers and partners for giving us the opportunity to share our one-of-a-kind product;
- Our team members and vendors for their passion, resilience and unwavering dedication.

### **About HydroGraph Clean Power**

HydroGraph Clean Power Inc. was founded in 2017 to fund and commercialize green, cost-effective processes to manufacture high-purity graphene, and other strategic materials in bulk. Publicly listed on the Canadian Securities Exchange in December 2021, the Company acquired the exclusive license from Kansas State University to produce both graphene and hydrogen through their patented detonation process. More information about the Company and its products can be found on the HydroGraph website. [www.hydrograph.com/](http://www.hydrograph.com/)

For company updates, please follow HydroGraph on LinkedIn and Twitter.

The Canadian Securities Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

### *Forward-Looking Statements*

This release contains certain “forward-looking statements” and certain “forward-looking information” as defined under applicable Canadian securities laws. Forward-looking statements and information can generally be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “estimate”, “upon” “anticipate”, “believe”, “continue”, “plans” or similar terminology. Forward-looking statements and information include, but are not limited to: statements in respect of the Private Placement, the use of the net proceeds from the Private Placement, the timing and ability of the Company to close the Private Placement, if at all, the gross proceeds of the Private Placement, the timing and ability of the Company to obtain all necessary regulatory approvals, if at all, and the terms and jurisdictions of the Private Placement; the statements in regards to existing and future products of the Company; the Company’s future personnel appointments; the Company’s plans and strategies.

Forward-looking statements and information are based on forecasts of future results, estimates of amounts not yet determinable and assumptions that, while believed by management to be reasonable, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements and information are subject to various known and unknown risks and uncertainties, many of which are beyond the ability of HydroGraph to control or predict, that may cause HydroGraph’s actual results, performance or achievements to be materially different from those expressed or implied thereby, and are developed based on assumptions about such risks, uncertainties and other factors set out herein, including but not limited to: HydroGraph’s ability to implement its business strategies; risks associated with general economic conditions; adverse industry events; stakeholder engagement; marketing and transportation costs; loss of markets; volatility of commodity prices; inability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favourable terms; industry and government regulation; changes in legislation, income tax and regulatory matters; competition; currency and interest rate fluctuations; and other risks. HydroGraph does not undertake any obligation to update forward-looking information except as required by applicable law. Such forward-looking information represents management’s best judgment based on information currently available.

No forward-looking statement can be guaranteed, and actual future results may vary materially. Accordingly, readers are advised not to place undue reliance on forward-looking statements.

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