

Bergen, March 2023

Dear Hammertech Investor,

Invitation to participate in share capital increase in Hammertech AS to capture the opportunity represented by Hammertech's unique competitive advantages combined with strong supportive market drivers

Hammertech AS is in the commercial phase and has secured sale of 11 AquaField units, of which 9 units in 2023. Hammertech is in process with 70 oil & gas operators to secure both short and long term new orders.

Hammertech has developed a disruptive technology for detecting the flowrate of oil, water and gas from a producing well, a multiphase meter called AquaField. The product has significant competitive advantages such as low cost, light weight, small size, and it is maintenance free. AquaField is the first available "plug-and-play" and maintenance free multiphase meter, making it ideal for retrofit rollout on large land-based oilfields with thousands of wells, opening a largely unserved market of up to USD 10 billion.

The activity level in the industry is now increasing after a post pandemic slowdown focusing on increasing recovery from existing assets with lower environmental impact, the latter becoming an increasingly important market driver. Well-testing represents huge Greenhouse Gases (GHG) emissions from onshore oil field operations that can be eliminated by a field-wise AquaField implementation.

The effect of an AquaField rollout on the well-level is reduced unwanted water production, increased oil production, reduced production cost, reduced energy consumption, reduced environmental impact and improved health and safety. The online and real-time data from AquaField is essential to enable proactive reservoir management that will increase production and improve the recovery rate from the reservoir.

This is driving the demand for AquaField. Hammertech is currently engaged in active sales processes with more than 30 operating companies in the core markets that will materialize in strategic deliveries in 2023 that serves as the basis for a strong growth in the coming years.

Recent achievements:

1. Hammertech has received a Purchase Order (PO) from ADNOC (Abu Dhabi National Oil Company) for 2 AquaField units with delivery in June 2023.
2. Hammertech has received PO from Oil India for 3 units of AquaField. Delivery will be in June 2023.
3. Hammertech has received a PO for 1 unit of AquaField from Egyptian operator Norpetco and for 1 unit to Dragon Oil in Turkmenistan. Units have already been delivered.
4. AquaField has been pre-qualified by for Saudi Aramco through a blind-test of AquaField at the DNV-test facility in Groningen with remarkable results. Remaining activities in this qualification process is a field verification test of AquaField and a QA-audit from Aramco.

The company has recruited Kaare Lunde with a proven track record from winning and driving growth in the global oil & gas market to lead this next phase for the company. Kaare will together with Sigmund Hjermann and the rest of the team execute the strategy to secure the company growth.

To strengthen the financing of Hammertech, the BoD has decided to invite existing and new investors to participate in a preference share issue offering of NOK 42 million. These preference shares will have priority before all other shares. The new funding will enable Hammertech to implement the new market strategy decided by the BoD of Hammertech to be implemented in 2023.

Hammertech is now prepared to strengthen the presence in the core markets in the Middle east and in north America by establishing local offices. The purpose is to achieve closer relations to the customers and to have direct and focused follow-up of the customers to reduce the lead time of contracts. Hammertech will staff these offices with both Hammertech employees from Norway and local employees.

Hammertech is expecting strategic POs from Al Mansoori and TOTAL Qatar for AquaField in the coming weeks. ExxonMobil's shale production subsidiary (XTO Energy) in the United States is planning a field installation in the Permian basin in Texas. Recently an initiative for reducing GHG emissions in ExxonMobil operations has focused on using multiphase meters as an important element in this initiative. Hammertech is very well positioned to contribute to this initiative.

Hammertech is also engaged in prequalification processes with KOC (Kuwait Oil Company) and PDO (Petroleum Development Oman) in addition to mentioned ADNOC and Saudi Aramco. These four operating companies represent a market potential of more than USD 800 million. Worldwide, the market is estimated by Rystad Energy at USD 10 billion.

HAMMERTECH®

Hammertech has developed a proposal to Shell Brazil for developing a subsea version of AquaField. The development will be fully financed by Shell Brazil as part of Shell's obligation for developing local content in Brazil. The Hammertech development is part of a larger local development project delivered by Brazilian partner ISDB FlowTech, and Hammertech will be a sub-supplier to ISDB FlowTech. The budget for the Hammertech development will be approx. NOK 25 million. Target start-up of the project is Q2-2023.

Invitation

In a meeting on 9 February 2023, the Board of Directors of Hammertech decided to invite investors to participate in a preference share issue of up to NOK 42 million, subject to approval of the issuance of the Offer Shares in the private placement by an extraordinary general meeting of the Company.

- Hammertech AS - a private limited liability company incorporated under the laws of Norway with registration number 994 710 060 (the "Company")
- Issued shares: 224,001 shares (each with a nominal value of NOK 10), of which 195,034 are Ordinary Shares, 21,086 are Series I Preference Shares and 7,881 are Series II Preference Shares.
- Subscription rights: (i) 11,615 subscription rights, each giving the right to subscribe for one new Series II Preference Share at a subscription price of NOK 950, and (ii) 8,124 subscription rights, each giving the right to subscribe for one new Series II Preference Share at a subscription price of NOK 1,354.
- Convertible loans: six outstanding convertible loans, which in total give the lenders the right to subscribe for a maximum of 12,803 new Series II Preference Shares (calculated based on conversion taking place on the convertible loans' respective maturity dates).
- **Fully diluted number of shares:** 256,543
- **Pre-money equity value:** NOK 212.8 million (calculated by multiplying the subscription price by the number of issued shares in the Company)
- Subscription price: NOK 950 per share (the "Offer Price")
- Private placement of a new class of preference shares (Series III Preference Shares)
- Rights of preference shares: Each Series III Preference Share has a preferred return of NOK 950, which ranks prior to all other preference shares. After the Series I Preference Shares, the Series II Preference Shares and the Series III Preference Shares have received the respective preference amounts, the Series III Preference Shares will participate in any subsequent distributions on an equal basis with the Ordinary Shares from the time when each of the Ordinary Shares has received an amount equal to the amount received by each of the Series III Preference Shares.
- In addition, for a period of 12 months from the registration of the Private Placement with the Register of Business Enterprises the right to convert all of its Series III Preference Shares into ordinary shares in Nordic Technology Group AS at a ratio of 1:100 (i.e. each of the Series III Preference Shares is converted into 100 ordinary shares in NTG) (the "Put Option"), company reg. no. 926 789 759 ("NTG"). The Put Option may be exercised by written notice to the Company and NTG. If the Applicant exercises the Put Option, NTG shall no later than one month after the receipt of the written notice from the Applicant convene a board meeting resolving to issue shares in NTG to the Applicant, against the Applicant contributing a corresponding number of Offer Shares to NTG as consideration for such shares. Any taxes or other expenses which may be incurred by the Applicant in connection with the Applicant's exercise of the Put Option shall be borne by the Applicant.
- Size: Up to 44,210 new Series III Preference Shares (the "Offer Shares"), which based on the Offer Price will raise gross proceeds of up to NOK 42 million.
- By subscribing in the private placement, subject to being allocated Offer Shares, each applicant undertakes to enter into the shareholders' agreement (if the applicant is not already a party to the shareholders' agreement).
- The allocation and issuance of Offer Shares is subject to (i) approval of the private placement and allocation of the Offer Shares by the Company's board of directors, (ii) approval of the issuance of the Offer Shares in the private placement by an extraordinary general meeting of the Company, (iii) the shareholders' agreement having been validly entered into by new investors, (iv) payment being received for the Offer Shares and (v) registration in the Norwegian Register of Business Enterprises of the share capital increase in the Company pertaining to the private placement.
- The allocation will be made at the sole discretion of the Company's board of directors.
- The Company's board of directors will focus on criteria such as (but not limited to) current ownership in the Company, timeliness of the application, relative order size, sector knowledge, perceived investor quality and investment horizon.

For Hammertech AS

Kaare Lunde
CEO

Sigmund Hjermand
President

Bjørn Aadland
CFO