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HAMMERTECH®

## *Hammertech AS*

*Investor Presentation March 2023*

# Location

HANMERTECH

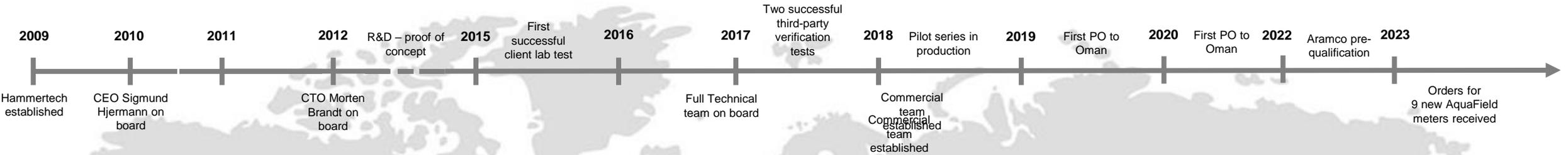


  
**BERGEN - NORWAY**



  
**AQUAFIELD**





# HANMERTECH



The Hammertech - Team has extensive industrial experience in *Multiphase Metering, Research and Development, Fabrication, Testing, Field Installations, Technical Support and Services, Marketing and Sales*

**250 Years Combined  
Experience From The E&P Industry**



# Hammertech Value Proposition

Enhanced recovery, Production Optimization, Digitalization and CO2 Emission Reduction

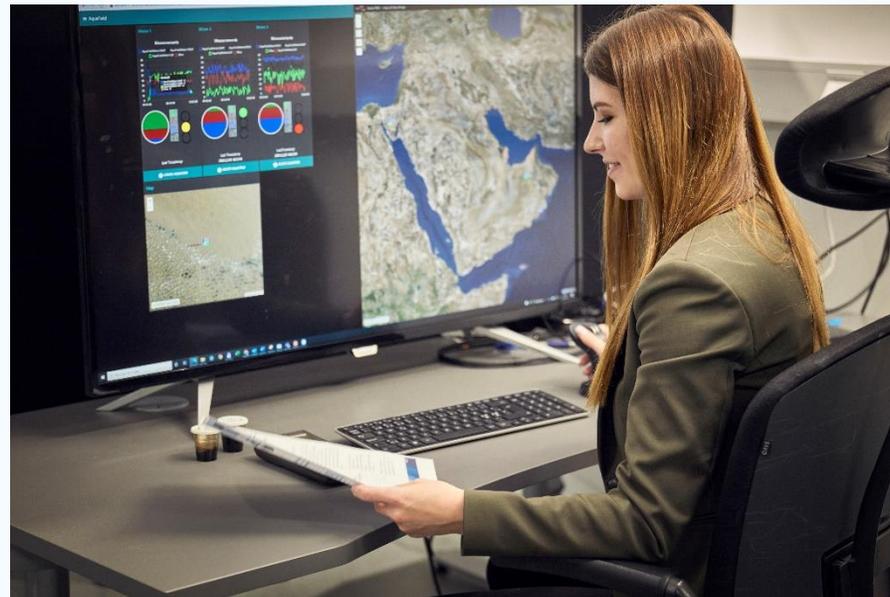
AQUAFIELD™  
PER WELL



Online, continuous and real time monitoring of individual wells



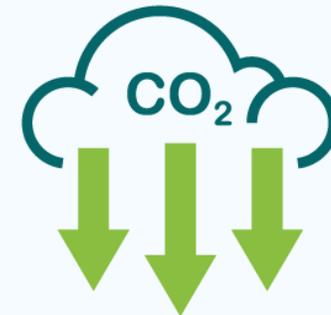
DIGITALIZATION



Supports remote well and reservoir management through real time transmittal of data from individual wells.



OPEX AND CO2 REDUCTION



Remove need for traditional and periodic individual testing of wells by use of test separator and enable continuous production optimization:

- cost reduction
- no emissions
- enhance recovery

## The AquaField™ Product



### Competitive advantages

- Low cost USD 40 000 pr. unit
  - Enables well-level rollout
- Plug and play, high reliability, self calibrated
  - Enables upscaling to 1000's of units
- PVT (Pressure, Volume, Temperature) independent (oil and gas properties)
- Easy installation
- Small size (from 15x15x15 cm)
- Low weight (from 22 kg)
- Enabling digitalization
- Catalyst for enhanced recovery rate and reduced CO2 footprint in the production phase

## Large addressable market

AquaField is the first-choice for more than 250,000 on-shore wells<sup>1)</sup>

	Total potential market	Target market	Core market
			
<b>Market Size</b>	<ul style="list-style-type: none"> <li>84 USDbn</li> </ul>	<ul style="list-style-type: none"> <li>18 USDbn</li> <li>AquaField assumed to be most applicable</li> </ul>	<ul style="list-style-type: none"> <li>10 USDbn</li> <li>AquaField assumed to be most applicable and likely to be implemented</li> </ul>
<b>Market Drivers</b>	2.1 million total wells	450,000 wells	251,000 wells
<b>End Client Examples</b> <i>(non-exhaustive)</i>	<ul style="list-style-type: none"> <li>All well-operating E&amp;P-companies</li> </ul>	<ul style="list-style-type: none"> <li>Saudi-Aramco, Petrobras, ExxonMobil, ADNOC, PDO, Majors</li> <li>Anadarko, Apache, EOG, Pioneer, Devon, XTO, Qatar Petroleum, Occidental, Equinor, ENI, Hilcorp, Bapetco, Norpetco, Qarun, Agiba,</li> </ul>	<ul style="list-style-type: none"> <li>Saudi-Aramco, KOC, ADNOC, PDO, Petrobras, ExxonMobil, Majors</li> <li>Anadarko, Apache, Equinor, Petrobel, Qatar Petroleum, ENI, Qatar Petroleum, Occidenta</li> </ul>

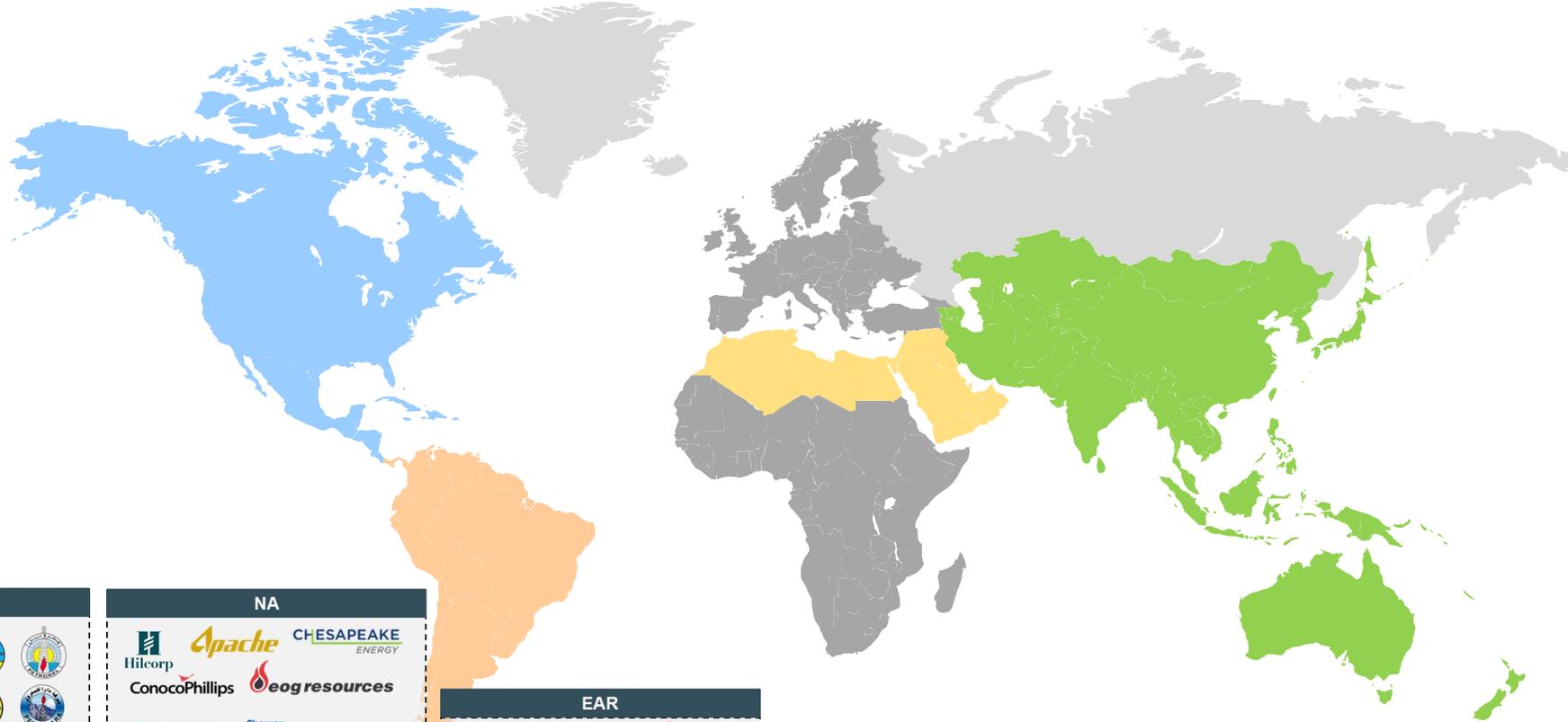
### 2025 prediction

Producing wells	1 610 000
New wells (-->2025)	510 000
<b>Total potential market</b>	<b>2 120 000</b>
Retrofit new gas wells	-107 000
Retrofit subsea	-6 000
Retrofit GoM	-16 000
Older onshore wells*	-1 345 000
Unconv. (Xtra HO, OS)	-201 000
<b>Target market</b>	<b>445 000</b>
Retrofit offshore*	-51 000
Reluctance smaller Ops*	-143 000
<b>Core market</b>	<b>251 000</b>

Estimated market size of 84 USDbn, with a core market of 10 USDbn

<sup>1)</sup> Rystad Energy Commercial due diligence report

## Hammertech current Global Client Interaction



■ NA ■ SA ■ EAR ■ MENA ■ AP



### MENA

### NA

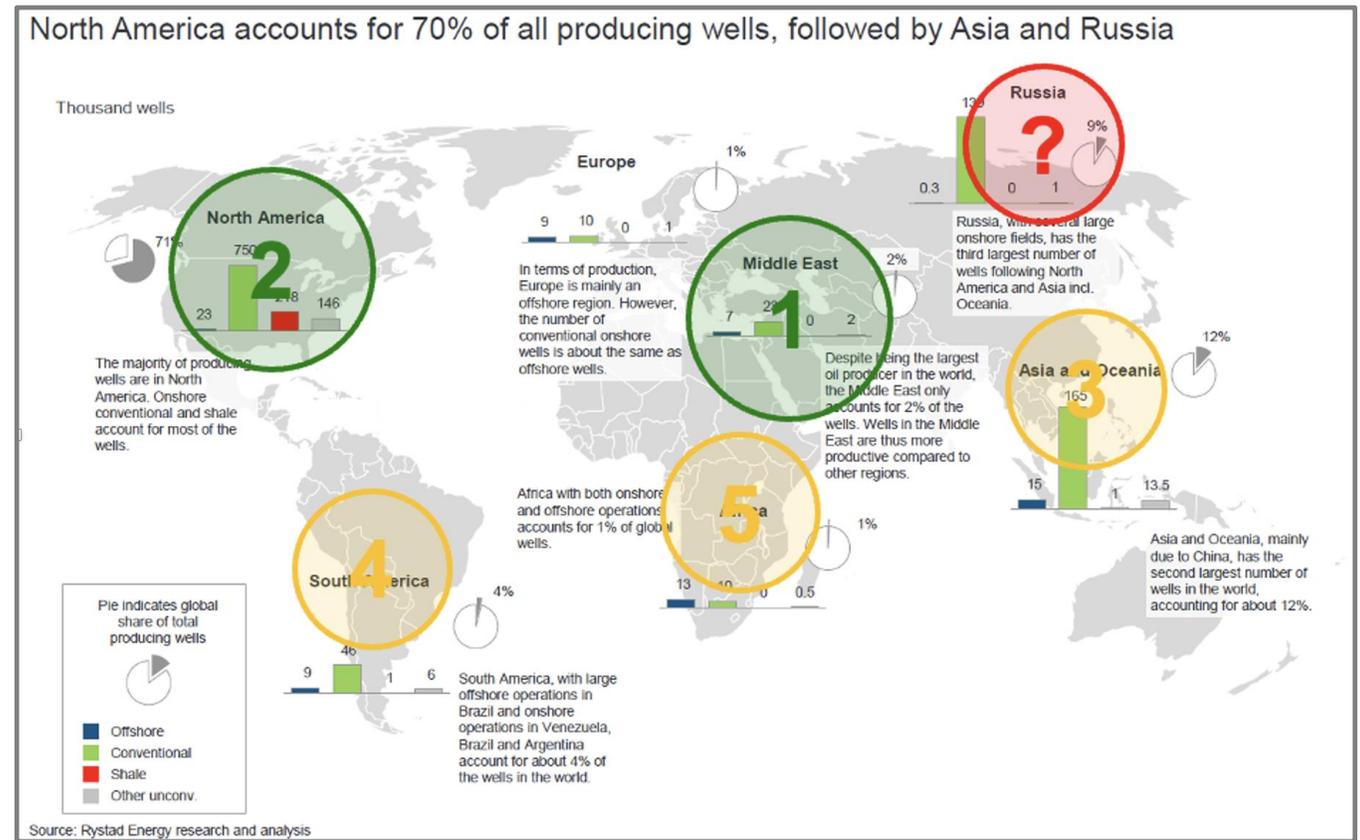
### EAR

### SA

### AP

# Focused geomarkets

- Rystad report pinpoints the 4 most valuable geomarkets for AquaField:
  - North America (NA)
  - The Middle east
  - China
  - Russia
- Hammertech has decided to focus on North America and the Middle east.
- Main differentiators for these markets
  - The North American production is from shale wells
  - The North American market has some large operators combined with a large base of smaller operators
  - The Middle Eastern production is from conventional wells
  - The Middle East market is dominated by few and large operators with huge potential
- These markets require different approaches



# The Middle East

## Approach:

- The customer base consists of very large national corporations, and classical account management and presence is required to win in this market
- Hammertech has decided to establish an office in the region, and the chosen location is Dubai in UAE
- Finn Erik Mohn – our VP of sales – will relocate to Dubai to lead the effort in the region. Finn Erik will lead the current customer pursuits while also recruiting staff for this go-to-market entity

## MENA Big 4 currently pursued entry cases:

1. **Aramco** (Saudi Arabia)
  - **Abqaiq** field: approx. **2.500 wells**, expected 5-year penetration **~70%**
  - Roll out on all wells as part of Aramco’s digital strategy
2. **ADNOC** (UAE)
  - Pilot covering 4 main onshore assets: **South East, Bu Hasa, BAB & NEB** covering approx. **1.000 wells**, expected 5-year penetration **~50%** Roll out on all wells as part of ADNOC’s digital strategy
3. **PDO** (Oman)
  - **Replace** existing non-functional instruments **with AquaField**, expected 5-year penetration **~30%**
  - Approx **1.500 units**
4. **KOC** (Kuwait)
  - **South Ratqa** field development, expected 5-year penetration **~30%**
  - 3 phases, total of approx. **3.000 wells**

Company	Wells	Penetration	AquaFields	USD
Aramco Abqaiq	2 500	70%	1 800	72 000 000
ADNOC SE-BH-BAB-NEB	1 000	50%	500	20 000 000
PDO replacements	1 500	30%	500	20 000 000
KOC South Ratqa	3 000	30%	1 000	40 000 000
<b>MENA Big 4</b>	<b>8 000</b>	<b>45%</b>	<b>3 800</b>	<b>152 000 000</b>

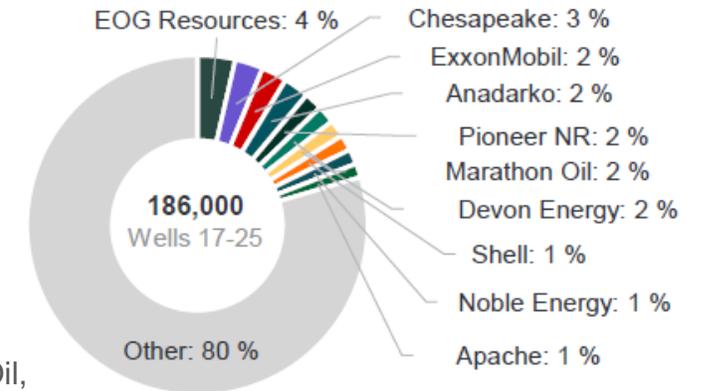
# North America

## Approach:

- The North American market has some large operators combined with a large base of SMB operators. The latter represents the largest near-term opportunity.
- Hammertech has decided to immediately establish a partnership with an experienced partner in the market to address the SMB customer base, while looking after the large enterprises directly.
- Hammertech will also establish an office in the US later 2023 to do account management and partner follow-up in the region.

## North America outlook

### Onshore shale wells by top 10 operators



### 1. SMB

#### 1. Bakersfield and Permian

Bakersfield will be our entry market to the shale oil domain and will serve as reference as we expand to include other shale oil basins. The Permian basin represents 65% of all onshore wells in the US. Our US partner has an established dialogue with several operating companies – including EOG, Devon, Summit Oil, and others – regarding AquaField deployment and we expect to receive our first orders from this market for 15-20 AquaField units in 2023, escalating to more than 200 units in 2024.

#### 2. Eagleford and Bakken

A successful rollout in Bakersfield and Permian will be followed by pursuits of the Eagleford and Bakken basins contributing to the sales numbers from 2024 onwards.

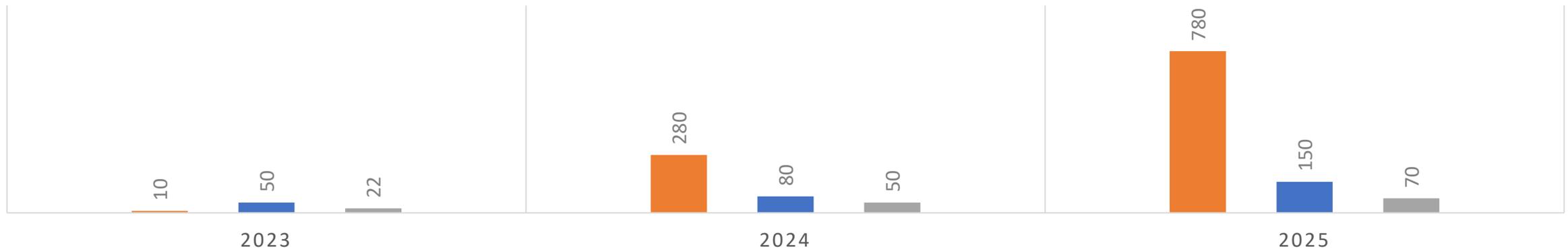
### 2. Large enterprises

Hammertech has established dialogue with several of the large enterprises – including ExxonMobil, Occidental, Chevron, BP, Shell, ConocoPhillips and others – regarding AquaField deployment. We do believe a successful rollout in the SMB market will serve as a catalyst for business with larger enterprises.

# 3-Year Forecast

## UNITS

■ Strategic orders  
 ■ Small Volume Orders  
 ■ Reference Orders



Priority	2023 Units = 82 Revenue/EBITDA = 36/-3 MNOK	2024 Units = 410 Revenue/EBITDA = 166/51 MNOK	2025 Units = 1000 Revenue/EBITDA = 404/187 MNOK
1	Potential <b>Small Volume orders</b> 2023: 10–15-unit order batch – from 4-6 clients	<b>Strategic orders:</b> Laying foundation for large volume orders 2024 – from 4-5 clients	<b>Strategic orders:</b> Laying foundation for large volume orders 2025 – from 6+ clients
2	Potential <b>Strategic orders:</b> Laying foundation for large volume orders 2024+ – from 4-5 clients	<b>Small Volume orders:</b> 10–15-unit order batch – from 6+ clients	<b>Small Volume orders:</b> 10–15-unit order batch – from 10+ clients
3	Potential <b>Reference orders:</b> Build reference list – 30+ selected clients	<b>Reference orders:</b> Only standard / off the shelf units – 30+ selected clients	<b>Reference orders:</b> Only standard / off the shelf units – 30+ selected clients

## 2023 Budget

All values in NOK '000															
Hammertech AS	Opening Cash Balance	Budget Dec 22	Budget Jan 22	Budget Feb 23	Budget Mar 23	Budget Apr 23	Budget May 23	Budget Jun 23	Budget Jul 23	Budget Aug 23	Budget Sep 23	Budget Oct 23	Budget Nov 23	Budget Dec 23	Budget Total Jan 23 - Dec 23
	<b>Cash In</b>														
Sales income		0	720	2 156	0	0	1 614	0	5 060	3 641	2 022	3 308	1 924	1 818	22 263
Other income		0	0	17	17	17	5 534	34	34	34	34	34	34	34	5 819
<b>Total Cash In</b>		<b>0</b>	<b>720</b>	<b>2 172</b>	<b>17</b>	<b>17</b>	<b>7 148</b>	<b>34</b>	<b>5 094</b>	<b>3 675</b>	<b>2 056</b>	<b>3 341</b>	<b>1 958</b>	<b>1 852</b>	<b>28 083</b>
<b>Cash Out</b>															
Cost of goods sold		0	896	0	0	706	0	1 771	1 274	708	1 158	673	636	1 628	9 451
Other costs:															
(1) Salary and social cost		0	1 678	1 338	1 958	1 561	2 237	1 447	2 642	2 341	2 936	2 341	3 376	2 992	26 846
(2) Office rent		0	83	83	83	83	83	93	110	139	139	139	139	139	1 314
(3) General Office, including:		0	882	942	1 270	897	907	986	858	1 045	798	887	811	1 117	11 401
Accounting/Legal/Audit															
Travel															
Office equipment&supplies, other office expenses															
IT/Data															
Board fees															
Contingency (un-specified)		0	50	50	50	50	1 050	50	50	50	50	50	50	50	1 600
<b>Total Cash Out</b>		<b>0</b>	<b>(3 589)</b>	<b>(2 413)</b>	<b>(3 361)</b>	<b>(3 297)</b>	<b>(4 278)</b>	<b>(4 348)</b>	<b>(4 935)</b>	<b>(4 282)</b>	<b>(5 080)</b>	<b>(4 091)</b>	<b>(5 013)</b>	<b>(5 926)</b>	<b>(50 613)</b>
<b>Total Cash From Operations</b>		<b>0</b>	<b>(2 869)</b>	<b>(241)</b>	<b>(3 344)</b>	<b>(3 280)</b>	<b>2 870</b>	<b>(4 314)</b>	<b>159</b>	<b>(608)</b>	<b>(3 024)</b>	<b>(749)</b>	<b>(3 055)</b>	<b>(4 074)</b>	<b>(22 530)</b>
<b>Cash out from Financing/Investments</b>															
Interest expense (Description 2)		0	65	65	215	65	65	215	65	65	215	65	65	215	1 380
<b>Total Cash out from Financing/Investments</b>		<b>0</b>	<b>(65)</b>	<b>(65)</b>	<b>(215)</b>	<b>(65)</b>	<b>(65)</b>	<b>(65)</b>	<b>(65)</b>	<b>(65)</b>	<b>(215)</b>	<b>(65)</b>	<b>(65)</b>	<b>(215)</b>	<b>(1 720)</b>
<b>Cash in from Financing/Investments</b>															
Grants/loan from Innovasjon Norge, bank loan, VAT, R&D tax incent		0	0	300	0	366	0	638	0	1 080	1 140	811	0	629	4 963
Equity/convertible loans		0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Cash in from Financing/Investments</b>		<b>0</b>	<b>0</b>	<b>300</b>	<b>0</b>	<b>366</b>	<b>0</b>	<b>638</b>	<b>0</b>	<b>1 080</b>	<b>1 140</b>	<b>811</b>	<b>0</b>	<b>629</b>	<b>4 963</b>
<b>Total Increase/Decrease in Cash</b>		<b>0</b>	<b>(2 934)</b>	<b>(6)</b>	<b>(3 559)</b>	<b>(2 979)</b>	<b>2 805</b>	<b>(4 231)</b>	<b>94</b>	<b>407</b>	<b>(2 099)</b>	<b>(4)</b>	<b>(3 120)</b>	<b>(3 660)</b>	<b>(19 287)</b>
<b>Total ending balance</b>	<b>0</b>	<b>2 000</b>	<b>(934)</b>	<b>(939)</b>	<b>(4 498)</b>	<b>(7 478)</b>	<b>(4 673)</b>	<b>(8 904)</b>	<b>(8 810)</b>	<b>(8 403)</b>	<b>(10 502)</b>	<b>(10 506)</b>	<b>(13 626)</b>	<b>(17 287)</b>	<b>(17 287)</b>

Financial budget 2023 Hammertech AS													
All values in NOK '000													
20993 RESULTATREGNSKAP	Board fees												
	Salary incr. from Jul 23												
Number of personnel													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
20993 RESULTATREGNSKAP													
20993 INNTEKTER													
39801 SUM INNTEKTER	200	217	1 831	217	5 294	3 875	2 256	3 541	2 158	2 052	4 886	11 969	38 404
39802 KOSTNADER													
49900 SUM Varekostnad	0	0	706	0	1 771	1 274	708	1 158	673	636	1 628	4 745	13 300
49900 SUM Varekostnad	0	0	706	0	1 771	1 274	708	1 158	673	636	1 628	4 745	13 300
49900 Sum betalt/tilgjengelig egenbidr. dr.in.	750	750	750	750	750	750	750	750	750	750	750	750	9 000
09900 SUM Lønnskostnader	1 500	1 500	1 759	1 759	2 011	-93	2 374	2 438	2 638	3 034	3 376	25 152	51 353
60300 Sum avskrivninger	667	667	667	667	667	667	667	667	667	667	667	667	8 004
61901 Sum Transportkostnader	10	10	10	10	10	10	10	10	10	10	10	10	120
63900 Sum Lokaler	83	83	83	83	83	93	110	139	139	139	139	139	1 314
66900 SUM Andre driftkostnader	59	119	59	119	59	119	59	59	149	59	59	59	1 038
67910 SUM Innleide tjenester	575	575	663	575	600	393	385	472	385	384	398	434	5 840
04400 SUM Administrasjon	34	34	34	34	34	34	34	34	34	34	34	34	408
78900 SUM Annonse kostnad	204	204	504	179	204	410	310	470	310	310	310	580	3 995
80900 SUM Finansinntekt	0	0	0	0	0	0	0	0	0	0	0	0	0
81790 SUM Finanskostnad	88	88	88	88	88	188	88	88	88	88	88	88	1 156
81791 ORDINÆRT RESULTAT FOR SKATT	-2 278	-2 321	-1 993	-2 528	517	1 509	-1 800	-1 444	-2 096	-2 254	-732	2 586	-12 833
8187	-2 190	-2 233	-1 905	-2 440	605	1 697	-1 712	-1 356	-2 008	-2 166	-644	2 674	-11 677
81870A	-1 523	-1 566	-1 238	-1 773	1 272	2 364	-1 045	-689	-1 341	-1 499	23	3 341	-3 673

## 2024 Forecast

All values in NOK '000																
Hammertech AS	Opening Cash Balance	Prognosis Dec 23	Prognosis Jan 24	Prognosis Feb 24	Prognosis Mar 24	Prognosis Apr 24	Prognosis May 24	Prognosis Jun 24	Prognosis Jul 24	Prognosis Aug 24	Prognosis Sep 24	Prognosis Oct 24	Prognosis Nov 24	Prognosis Dec 24	Prognosis Total Jan 24 - Dec 24	
	<b>Cash In</b>															
Sales income		1 211	4 431	11 949	9 244	9 244	9 244	11 491	11 491	11 491	13 352	13 935	14 774	20 714	141 359	
Other income		17	16	16	32	32	32	32	32	32	32	32	32	32	352	
<b>Total Cash In</b>		<b>1 227</b>	<b>4 447</b>	<b>11 965</b>	<b>9 276</b>	<b>9 276</b>	<b>9 276</b>	<b>11 523</b>	<b>11 523</b>	<b>11 523</b>	<b>13 384</b>	<b>13 967</b>	<b>14 806</b>	<b>20 746</b>	<b>141 711</b>	
<b>Cash Out</b>																
Cost of goods sold		1 628	4 391	3 538	3 397	3 397	4 223	4 223	4 223	4 907	5 121	5 429	7 612	7 612	58 074	
Other costs:																
(1) Salary and social cost		2 992	3 748	3 108	4 236	3 626	4 888	1 447	5 132	4 333	5 773	4 588	6 414	5 908	53 203	
(2) Office rent		110	110	110	110	147	147	147	147	147	147	147	147	147	1 653	
(3) General Office, including:		1 121	900	960	1 340	992	972	962	1 013	1 416	960	1 110	1 110	1 620	13 354	
Accounting/Legal/Audit																
Travel																
Office equipment&supplies, other office expenses																
IT/Data																
Board fees																
Contingency (un-specified)		50	50	50	50	50	50	50	50	50	50	50	50	50	600	
<b>Total Cash Out</b>		<b>(5 901)</b>	<b>(9 199)</b>	<b>(7 767)</b>	<b>(9 134)</b>	<b>(8 212)</b>	<b>(10 280)</b>	<b>(6 829)</b>	<b>(10 564)</b>	<b>(10 853)</b>	<b>(12 051)</b>	<b>(11 324)</b>	<b>(15 333)</b>	<b>(15 337)</b>	<b>(126 884)</b>	
<b>Total Cash From Operations</b>		<b>(4 674)</b>	<b>(4 753)</b>	<b>4 198</b>	<b>142</b>	<b>1 064</b>	<b>(1 004)</b>	<b>4 695</b>	<b>959</b>	<b>670</b>	<b>1 332</b>	<b>2 642</b>	<b>(528)</b>	<b>5 409</b>	<b>14 827</b>	
<b>Cash out from Financing/Investments</b>																
Interest expense (Description 2)		215	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Cash out from Financing/Investments</b>		<b>(215)</b>	<b>0</b>	<b>(340)</b>												
<b>Cash in from Financing/Investments</b>																
Grants/loan from Innovasjon Norge, bank loan, VAT, R&D tax incent		668	0	1 807	0	2 013	0	2 303	0	2 409	1 412	2 930	0	3 589	16 464	
Equity/convertible loans		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Cash in from Financing/Investments</b>		<b>668</b>	<b>0</b>	<b>1 807</b>	<b>0</b>	<b>2 013</b>	<b>0</b>	<b>2 303</b>	<b>0</b>	<b>2 409</b>	<b>1 412</b>	<b>2 930</b>	<b>0</b>	<b>3 589</b>	<b>16 464</b>	
<b>Total Increase/Decrease in Cash</b>		<b>(4 221)</b>	<b>(4 753)</b>	<b>6 005</b>	<b>142</b>	<b>3 077</b>	<b>(1 004)</b>	<b>6 658</b>	<b>959</b>	<b>3 079</b>	<b>2 744</b>	<b>5 573</b>	<b>(528)</b>	<b>8 997</b>	<b>30 950</b>	
<b>Total ending balance</b>	<b>0</b>	<b>(19 153)</b>	<b>(24 148)</b>	<b>(18 142)</b>	<b>(18 000)</b>	<b>(14 924)</b>	<b>(15 928)</b>	<b>(9 270)</b>	<b>(8 311)</b>	<b>(5 232)</b>	<b>(2 487)</b>	<b>3 085</b>	<b>2 558</b>	<b>11 555</b>	<b>11 555</b>	

Financial prognosis 2024 Hammertech													
All values in NOK '000													
20993 RESULTATREGNSKAP	Board fees												
	Salary incr. from Jul 24												
Number of personnel													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
20993 RESULTATREGNSKAP													
20993 INNTEKTER													
39801 SUM INNTEKTER	9 460	9 460	9 476	11 723	11 723	11 723	13 584	14 167	15 006	20 946	20 946	2	

## 2023 Capital increase

### Share issue of Preference Shares Series III

- MNOK 42
- 1. **Convertible loans** (including subscription rights)
  - Refinance existing convertible loans
  - MNOK 12
- 2. **Short term loans**
  - Refinance existing short-term loans
  - MNOK 12
- 3. **New operating cash**
  - MNOK 18

### Rights of Preference Shares Series III

- A preferred return of NOK 950, which ranks prior to all other preference shares
- Share price 950 (MNOK 212.8 pre-money value)
- For a period of 12 months 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").

### Additional financing planned from ExFin (MNOK 5-15):

- Working capital financing
- Project financing for specific contracts