

Hydrogen Horizons Tokyo

4th October 2024

Foresight
Invest Build Grow

Introduction to Foresight

Meet the Speakers



Chris Holmes
Partner, Foresight

Chris joined Foresight in 2019 as a Partner in the London office. Chris' career spans over 25 years within infrastructure investment, advisory, lending and fund management. He has spent the last 5 years co-managing a FTSE 250 environmental infrastructure fund before transitioning over to launch FHIF. Chris has worked across a wide range of social and renewable power generation sectors alongside a specific interest in waste and bioenergy. He was sector head for Waste and Bioenergy at the UK Government's Green Investment Bank for 4 years prior to privatisation.

Chris holds a BA in Business Economics from Durham University.



Joe Davis
Investment Director, Foresight

Joe joined Foresight in 2020 and is an Investment Director in the London office. Joe has over 11 years of investment experience in energy and infrastructure. During his time at Foresight, Joe has had responsibility for managing the investment activity of the ITS fund as well as leading on transactions in the power generation, green hydrogen, and social infrastructure sectors. In addition, Joe sits on the Boards of HH2E AG (a hydrogen development company) and Mercia Power Response Limited (a flexible power IPP).

Prior to joining Foresight, Joe worked at Pensions Infrastructure Platform where he was involved in the deployment of £800m capital into UK core infrastructure. Prior to this he worked at DWPF as a financial advisor with secondments at InfraRed and InfraMed. Joe holds a MSci in Physics from the University of Nottingham and is a CFA Charterholder.



Felicity Underhill
FHIF Independent Industry Expert Panel member

Felicity Underhill is an independent member of the Foresight Hydrogen Infrastructure Fund ("FHIF") Industry Expert Panel. Felicity has over twenty years' experience in the upstream energy industry, spanning strategy, innovation, operational excellence, business development and joint venture management. Passionate about decarbonisation and combating climate change, Felicity shifted her career focus in 2018 and has been working with hydrogen ever since. Most recently she held the role of Director East Australia and New Zealand, at Fortescue Future Industries (FFI) leading the company's Queensland, New South Wales, Victoria, Tasmania and New Zealand projects. She was also General Manager, Future Fuels at Origin Energy with responsibility for investigating how hydrogen and other fuels would fit within the company's future energy mix.

Felicity holds a Master of Arts (international relations and conflict resolution) from the Brussels School of International Studies and a Bachelor of Arts (international relations and affairs) from Victoria University of Wellington. She is also Director and Deputy Chair of the Australian Hydrogen Council.

Foresight Group: Overview

A sustainability-led infrastructure and private equity investment manager, founded in 1984

€14.2bn
assets under management

10
countries across UK,
Europe & Australia

430+
infrastructure assets

Accurate as at 31st March 2024. AUM FX Rate
GBP/EUR 1.167854

Note: 1. As defined by the London Stock Exchange
Green Economy Mark, 2. Five-star PRI scores
awarded across the Group, Private Equity and
Infrastructure divisions

c.180
infrastructure professionals

4.7GW
green energy
infrastructure capacity¹

5★
UN PRI ratings²



Awarded "ESG Leader" and
"Outstanding New Markets
Deal" for HH2E at the 2023
Energy Transition awards

Foresight
Invest. Build. Grow.

Leading Energy Transition Investor

Diversified Energy Transition experience



- 11 funds



- 1.6GW solar portfolio



- 1.2GW+ energy storage assets



- Gas peaking plants and Gas pipelines



- Bio-methane refuelling station network



- Deep seaports with gas and container terminals

Leading early-stage infrastructure investor

Battery Storage



Anaerobic Digestion



Biofuels

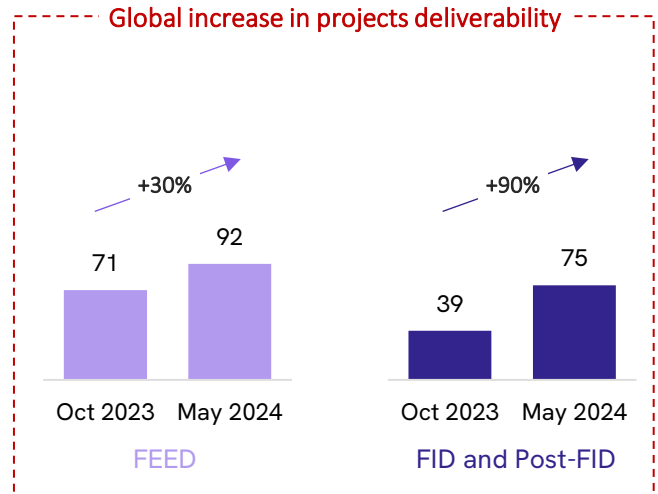
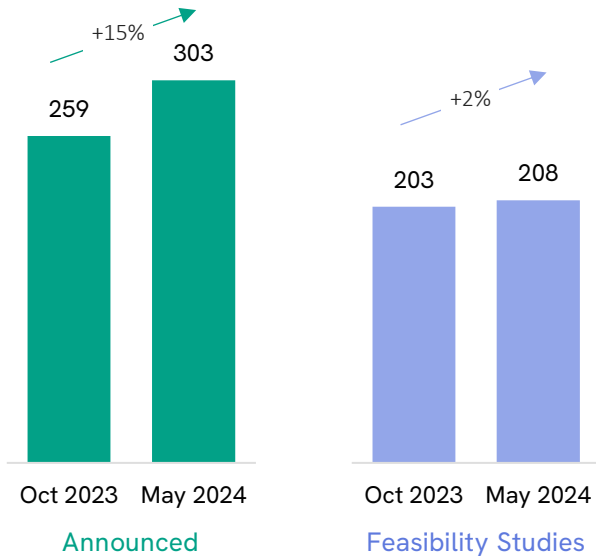


The Maturing of the Hydrogen Industry

How It Started - How It's Going ?

By the Numbers – Market Data Shows Focus on Progressing Through FEED and to FID

Clean H2 projects reaching FID have increased 7x, growing from approximately \$10bn across 102 projects in 2020 to some \$75bn across 434 projects in 2024



By the Use Cases – Better Understanding of Where H2 Fits in the Energy Transition

Decarbonising Existing Usage of Hydrogen



Petrochemical and refining



Fertilisers with ammonia



Primary chemistry

Clean Hydrogen Opening New Markets



Transport and mobility:

- Aviation: SAF
- Maritime: e-methanol and green ammonia
- Road transport: hydrogen fuel cells



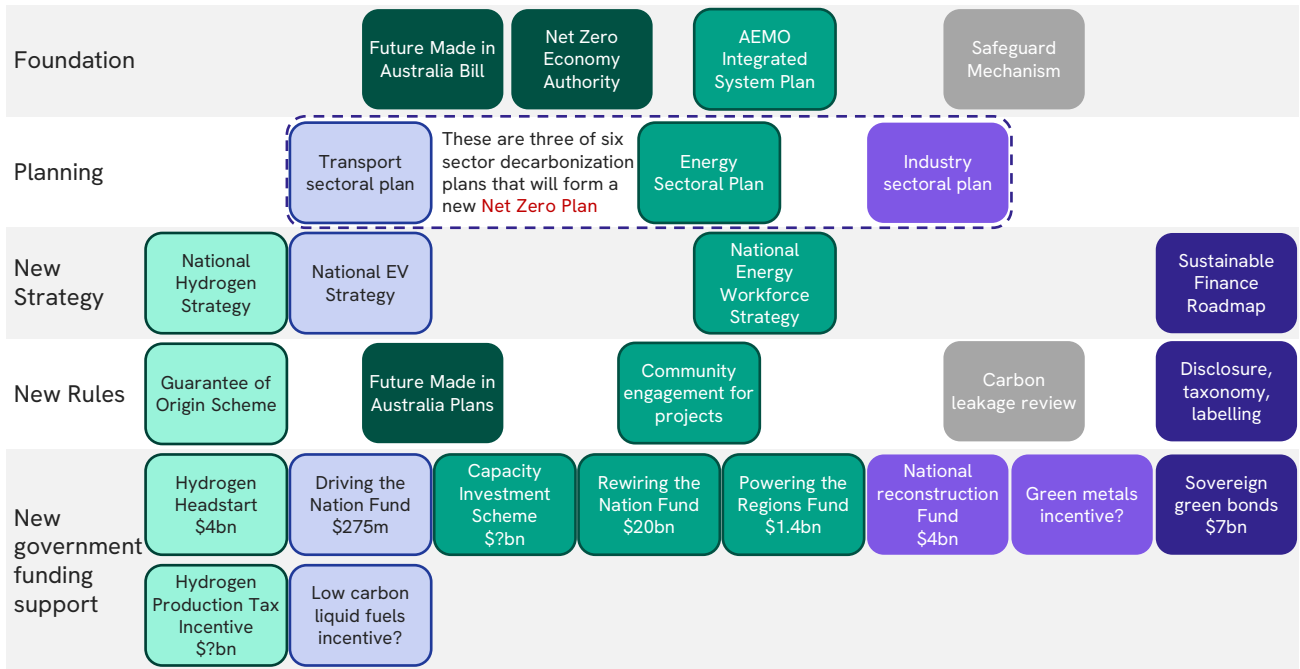
Decarbonise steel making other industries



Clean energy carrier to regions with scarce RES

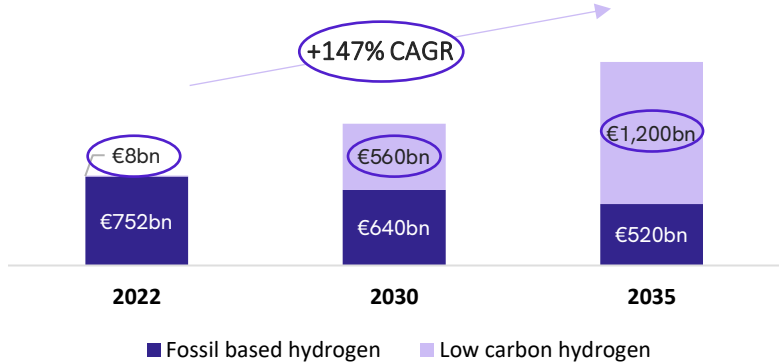
By the Policy Environment – Clear Policies Encompassing the Whole Value Chain

Australian example - hydrogen strategy, from the foundations to support mechanisms



Where It's Going

Global hydrogen demand forecast¹



Driven by:

- Existing users shifting to clean hydrogen due to **carbon taxes or mandates**
- The **rise of new markets** for emissions-free hydrogen such as transportation or power



Source: IEA, Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach, 2023

(1) Volume demand converted in value at €8 per kg of hydrogen

Global Regulatory Environment

Policy is Settling Globally Creating a Stable Environment to Invest in Hydrogen

Settled policies...

Key geographies



Incentives / Tax	✓	✓	✓	✓
Net-zero targets legislated	✓	✓	✓	✓
Comments	Demand mandates	Competitive product with IRA	Import subsidy	Devex and Capex subsidies

... are creating infrastructure characteristics



Long term offtake contracts



Construction ready projects



Suitable for project finance

Increasing Number of FIDs Proves the Market Shift

H2green steel

- 95% lower carbon intensity steel
- €6 bn raised in debt and equity
- 670 MW electrolyser









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- Project Kasso, Denmark
 - eMethanol offtake from shipping and plastics sectors
 - 52 MW electrolyser



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- Chemicals Park Rheinland in Germany
 - 100 MW electrolyser
 - Decarbonising refining operations

Policy Continued – EU Deep Dive

European policy is focusing on demand mandates boosting the growth of the hydrogen economy

End-use sector	 RED III targets	Enforcement
 Industry	42% of hydrogen in industry should come from RFNBOs by 2030	Required incorporation into national laws
 Road transport	Minimum of 1% RFNBOs by 2030	
 RefuelEU Targets		
 Aviation	1.2% synthetic fuel by 2030	Fine on fuel providers
 Maritime	1% of RFNBO in marine bunker fuels by 2031	Expulsion of noncompliant vessels
 National Targets		
 Power	10 GW H2 -ready gas power plants, to be fully converted between 2035 and 2040	To be determined

Policy, Offtakes and FIDs Provide A Timely Investment Opportunity

Optimal time to invest due to expected returns not reflecting the level of policy maturity. The growth phase offers high returns for measured risks in the infrastructure space



✓ Offtakers signing contracts due to regulatory pressure

✓ FIDs taken in most favourable locations

✓ Infrastructure-like investment with higher returns

HH2E Case Study

Pioneering Industrial Scale H2 Platform

HH2E is the utility company of the future, building on significant growth in German green H2 market

Vision

“Never waste a green electron again”

- **Efficient:** Utilising every green electron. This prevents shutting down wind turbines to curtail power production.
- **Dependable:** building a new generation of power plants and supply large quantities of green hydrogen
- **Transformative:** changing the economy, moving away from fossil fuels to renewable energies

Overview

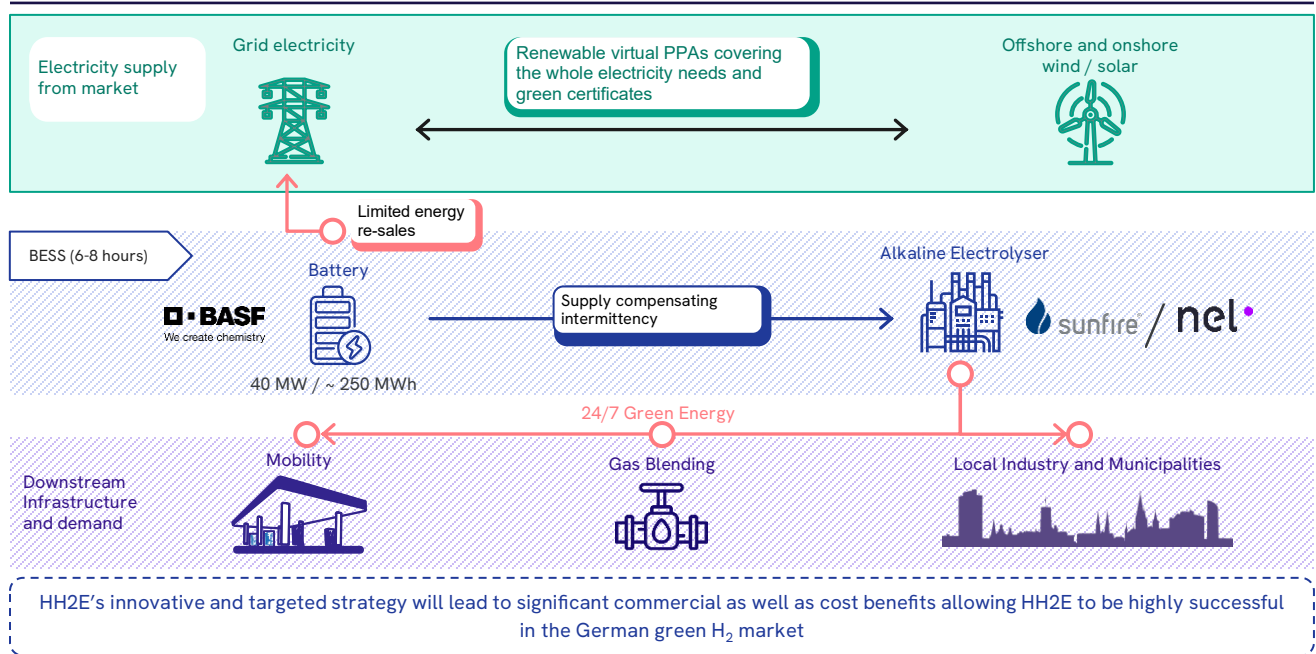


- HH2E was founded in **late 2020** by renowned industry experts
- HH2E has since grown to **~60 full time employees** covering all functions and supported by a wide range of skilled third-party engineering contractors
- **Current Portfolio:** 2 projects near FID stage, target for 4GW by 2030

Optimised Production Model for Germany

HH2E has pioneered a unique proposition to service the growing green H₂ market in Germany

Approach to Integrated Battery / Electrolyser Model

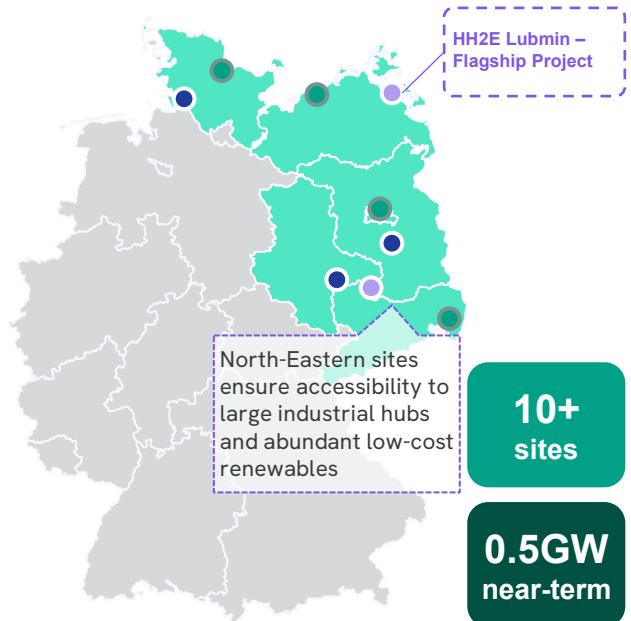


HH2E has Achieved Considerable Success as Evidenced by Projects set to Reach FID

One of the Most Advanced H2 Developers Globally...

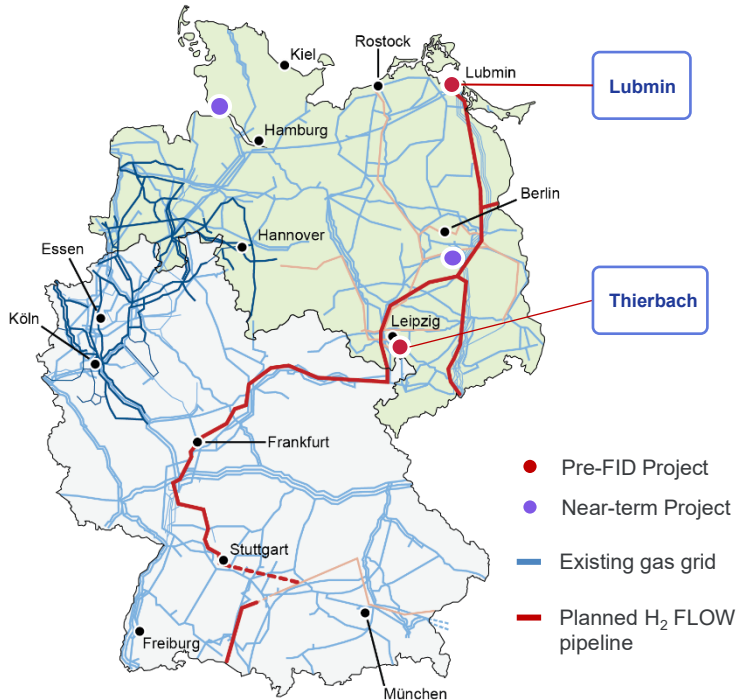
FID-Ready Projects with COD by 2027	<ul style="list-style-type: none">▪ Lubmin and Thierbach are reaching FID shortly▪ Projects have already secured offtake (80%)▪ Already applied for construction approval
Near-term Pipeline	<ul style="list-style-type: none">▪ 2-3 projects reaching PID and enter devex phase▪ Completed technical feasibility studies▪ Pipeline of offtake contracts are already under negotiations
Medium to Long-term Pipeline	<ul style="list-style-type: none">▪ Targeting 4GW of electrolysis capacity by 2030▪ Sites identified for prospective projects▪ Substantial interest from offtakers and government across HH2E sites and pipeline volumes

...with Robust Projects Across North Eastern Germany



Project Pipeline at Strategic Locations

Advanced pipeline strategically located at major German industrial hubs near pipelines



	Lubmin	Thierbach
Capacity	Ph.1: 100MW Ph.2: 100MW Ph.3: 800MW	Ph.1: 100MW Ph.2: 200MW Ph.3: 700MW
Offtake	Final Contract Negotiations	Advanced Negotiations
Planning and Engineering	Technical Feasibility Completed	Technical Feasibility Completed
Grid Connection	Secured	Secured

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