



Decarbonizing Buildings and the Grid with

Distributed Smart **Energy Storage**

Clean, Sustainable, Efficient

Nostromo Energy Limited

August 2024



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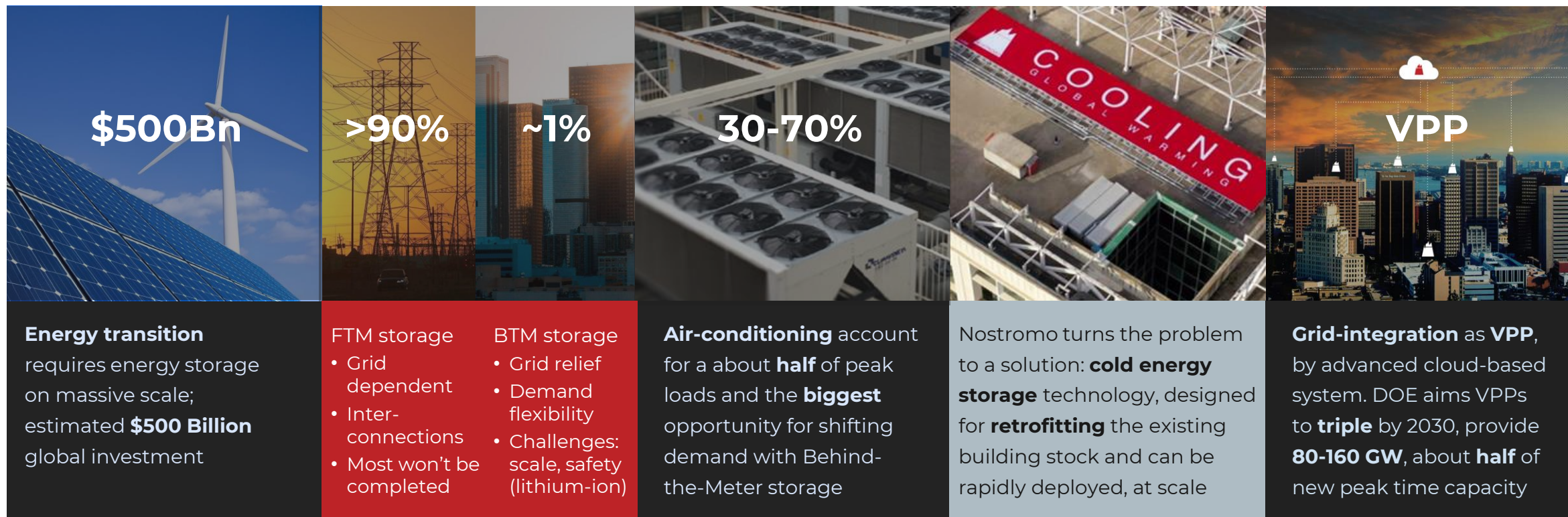
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Energy Storage for C&I Buildings

Cutting carbon and energy costs for buildings; stability for the power grid

Safe, clean, easy to retrofit, no interconnection queues or environmental permits required



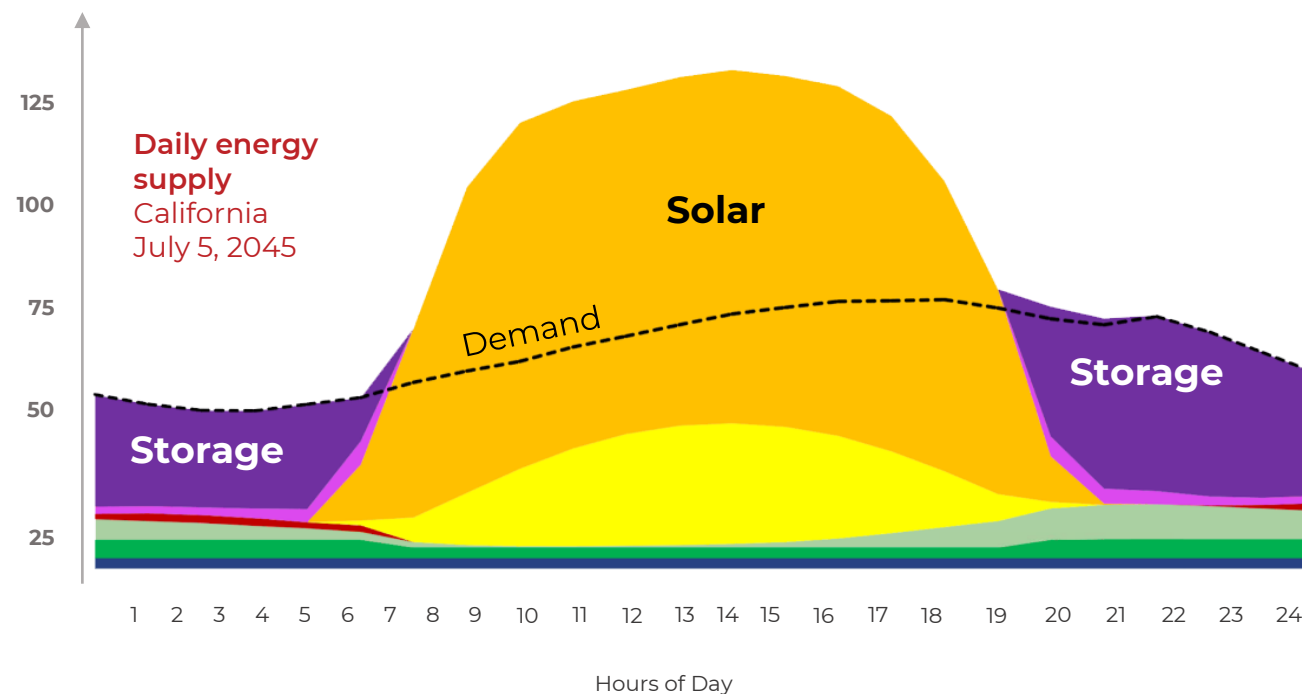
- 1 **Massive Market Opportunity TAM:** Intersection of >\$500 Bn energy storage market, +\$1.3 Trillion buildings decarbonization, and tripling of VPPs by 2030
- 2 **Rapid Deployment in Dense Urban Setting:** Modular, compact, safe, recyclable, designed to retrofit existing buildings
- 3 **Proven Technology:** Projected 20+ year life; 3 operating sites including first U.S. site in Beverly Hills, CA, strong patent portfolio
- 4 **Fast Growing Commercial Pipeline:** +\$80MM signed development agreements
- 5 **Grid-Edge Resource, Wholesale Market Integration:** Qualified capacity by CPUC to sell Resource Adequacy credits to utilities, demand-management services to the grid
- 6 **Attractive System Economics for Owners:** CapEx \$2-3 million per unit, reduces ~30% of cooling costs, 15-20% unlevered IRR, 4-6 years payback (Calif.)
- 7 **Visibility to +\$270M Project Financing:** Comprised of +\$150MM DOE loan (expect term sheet signed Q3'24), \$70MM equity (term sheet signed), and tax incentives; strong potential to upsize
- 8 **100% US Based Supply Chain in Place:** 45X and 40% ITC eligibility



NOSTROMO
COOLING GLOBAL WARMING

Market Opportunity

The clean transition needs...
a lot of **Energy Storage**



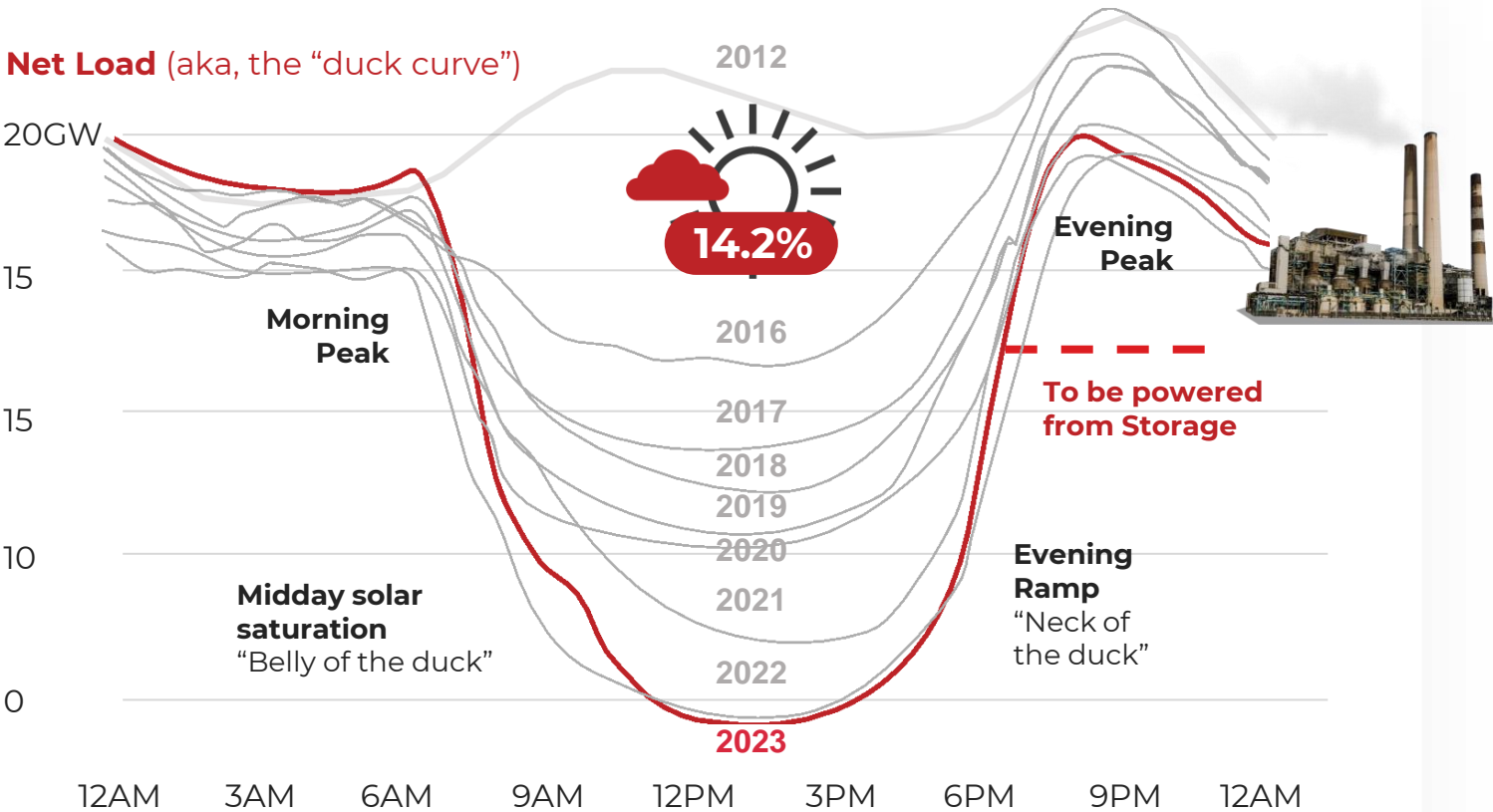
Data source: CESA

California:

5.6 GWh of storage
was added in 2021

8X pace is needed to
reach 2035 renewables
target

Using lithium-ion for meeting the
need will require **discarding**
36,000 tons of Lithium-ion
batteries, annually.
(equivalent to 1.3 Million EVs)



Source: CAISO
Net: Net load shown is demand minus utility-scale wind and solar

Typical spring day in California

Energy
Transition relies
on Energy
Storage on
massive scale

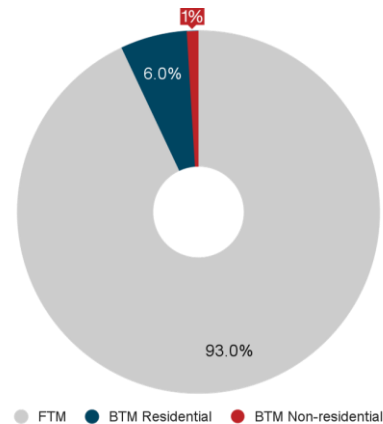
Behind the Meter storage is critical for grid stability (demand flexibility) and defers infrastructure investments

Front of the Meter Storage

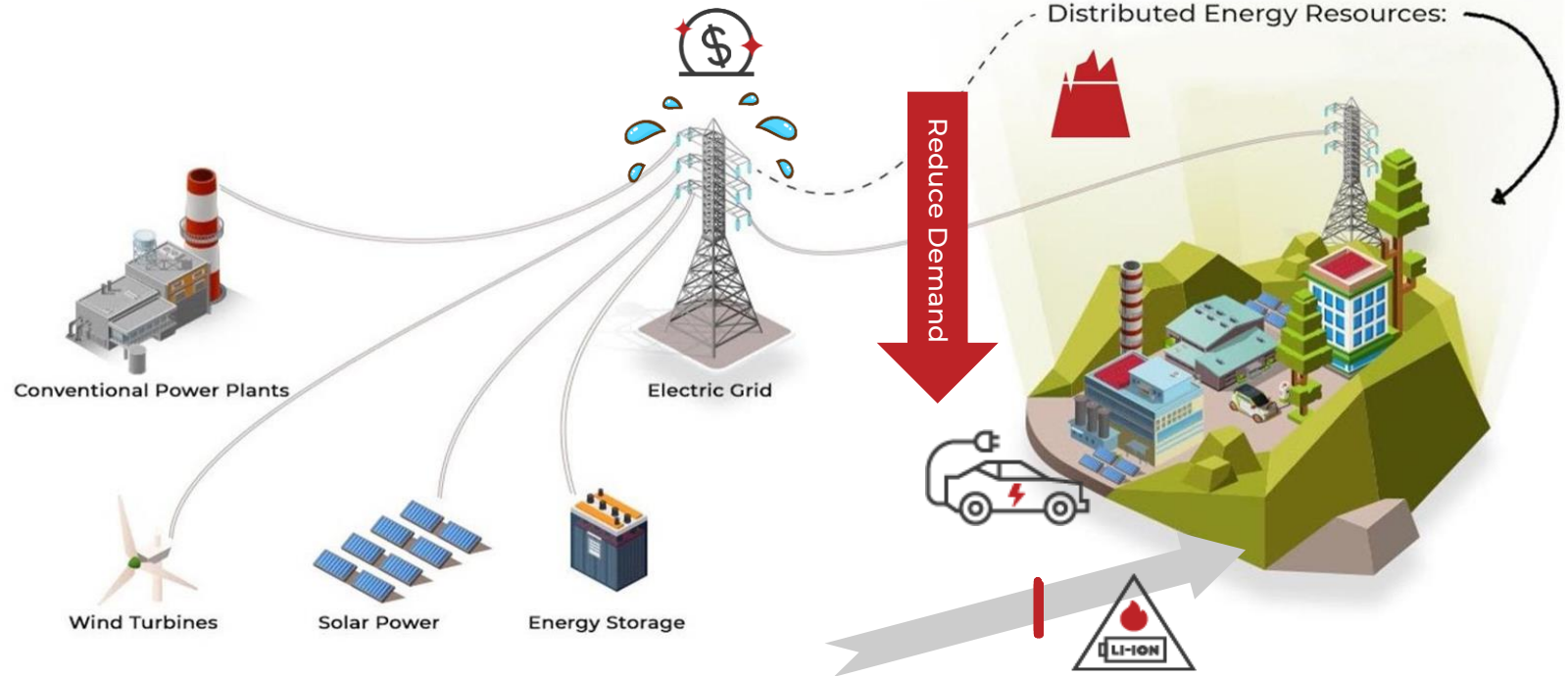
Supply side

Behind the Meter Storage

Demand side



● FTM ● BTM Residential ● BTM Non-residential



Most proposed storage projects never get built due to interconnection delays and grid upgrade costs

CLEAN ENERGY STATES ALLIANCE | May 2024


Commercial & Industrial is only 1% of new storage deployments (2021-2022)

C&I consume **60%** of all electricity
Sources: Wood Mackenzie, EIA

“California and New York and Texas ... were saved by demand flexibility programs this year.”

Jigar Shah | Director, DOE Loan Programs Office

Buildings consume 74% of electricity



of which
Air Conditioning
at peak hours account for
30-70%
of total consumption

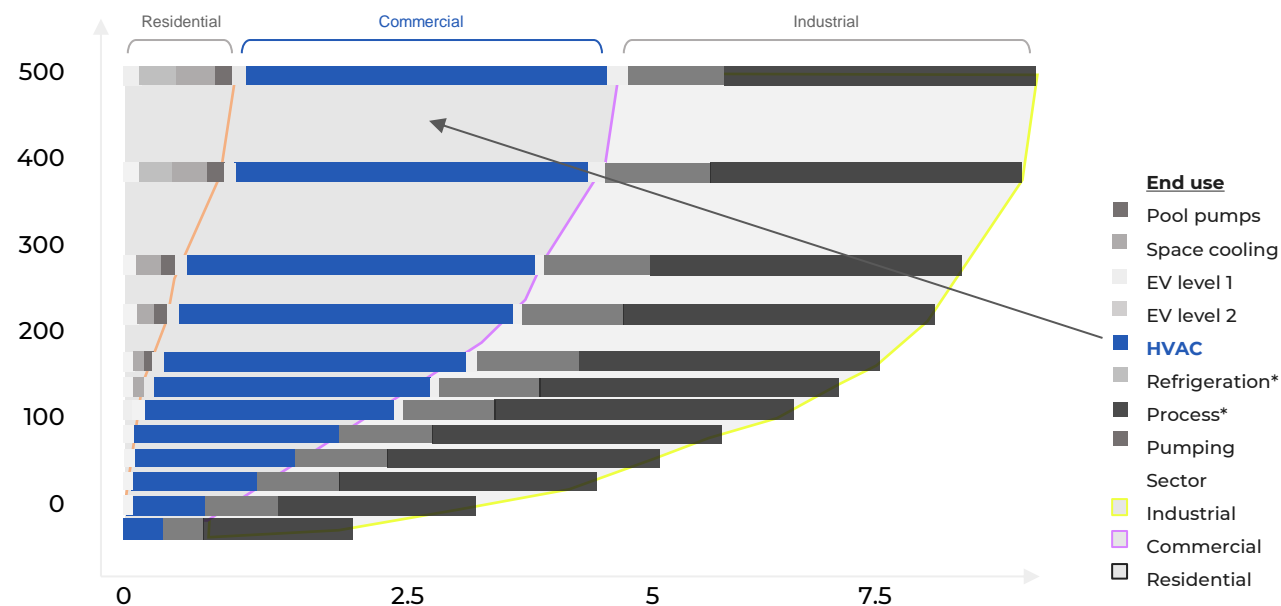
U.S. Dept of Energy, Buildings Technologies Office:

“Thermal energy storage (TES) is a **critical enabler** for the large-scale deployment of renewable energy and transition to a decarbonized building stock and energy system by 2050.”

Space Cooling accounts for half of peak loads

Potential for load shifting by Behind the Meter storage

California, 2030



According to LBNL

Commercial HVAC alone accounts for **> 1/3 of the total potential** of load shift with **behind the meter** energy storage, and almost **the entire potential in the commercial sector**



Lawrence Berkeley National Laboratory, May 2020
The California Demand Response Potential Study, Phase 3: Final Report on the Shift Resource through 2030.

The IceBrick[®] Solution

The first compact & modular cold energy storage cell.

Clean, safe and durable

[Video](#)

Traditional Ice-based energy storage systems



IceBrick® Innovation Center

At the Beverly Hilton
2024 OUTSTANDING ENERGY PROJECT OF THE YEAR

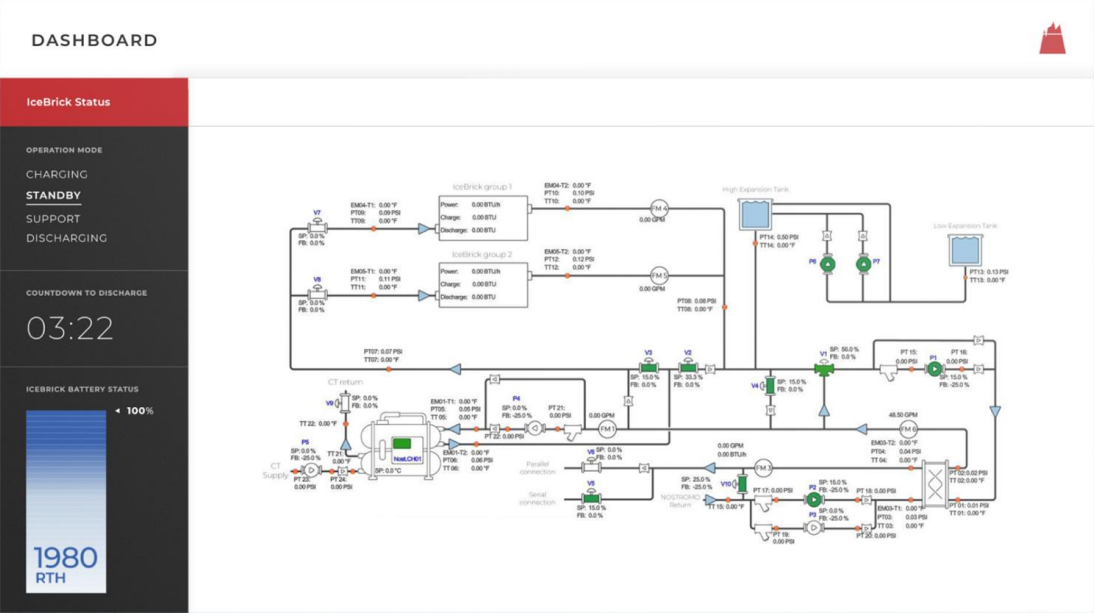
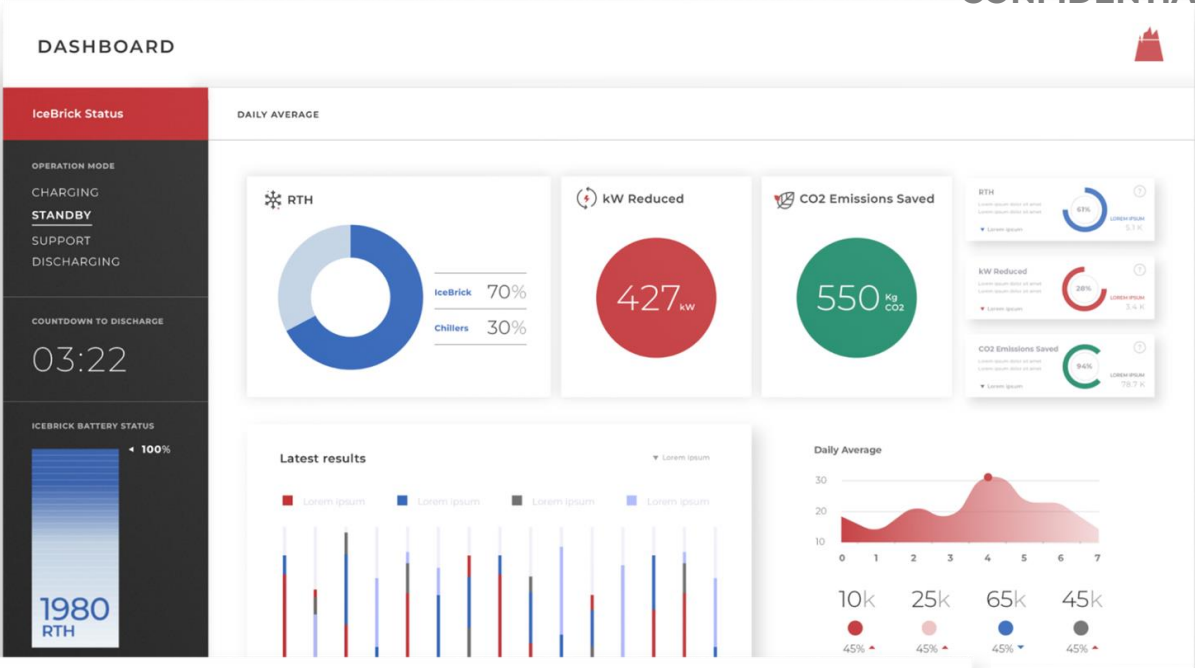
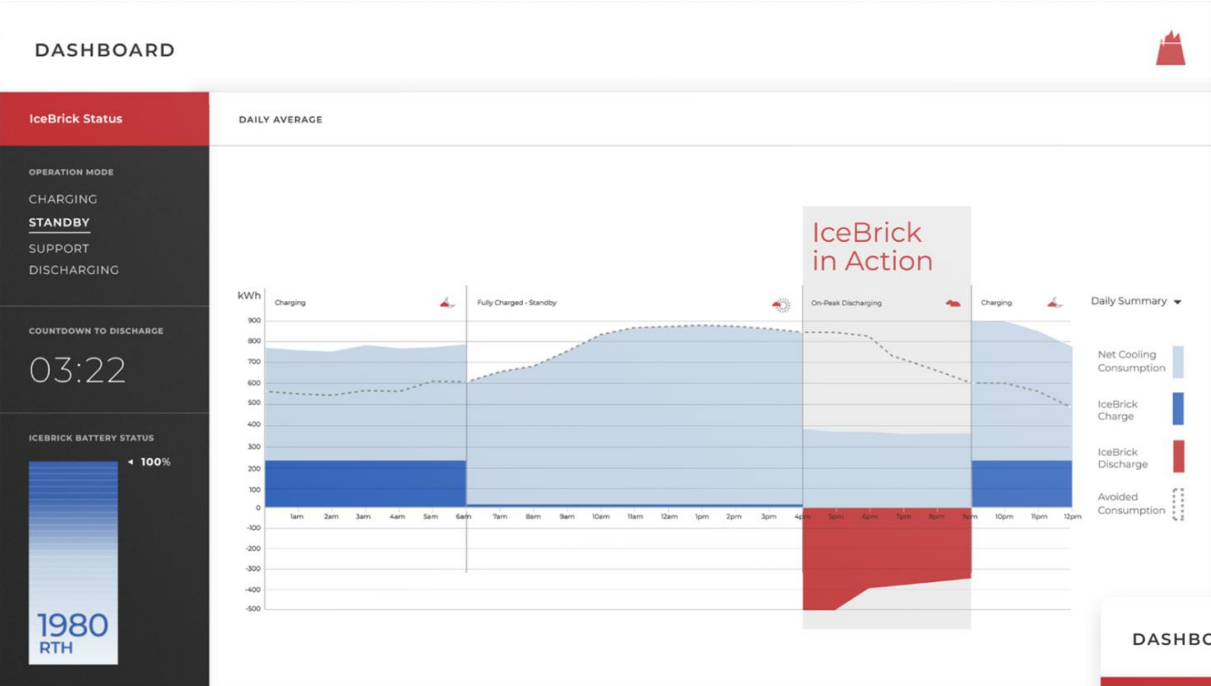


[Take the Virtual Tour](#)





- ✓ Retrofits existing buildings, with no real-estate “cost”
- ✓ ~1/6 of space for same usable energy (4-5 hrs discharge)
- ✓ Grid integration (software, regulatory)
- ✓ Efficiency (RTE)
- ✓ Reliability

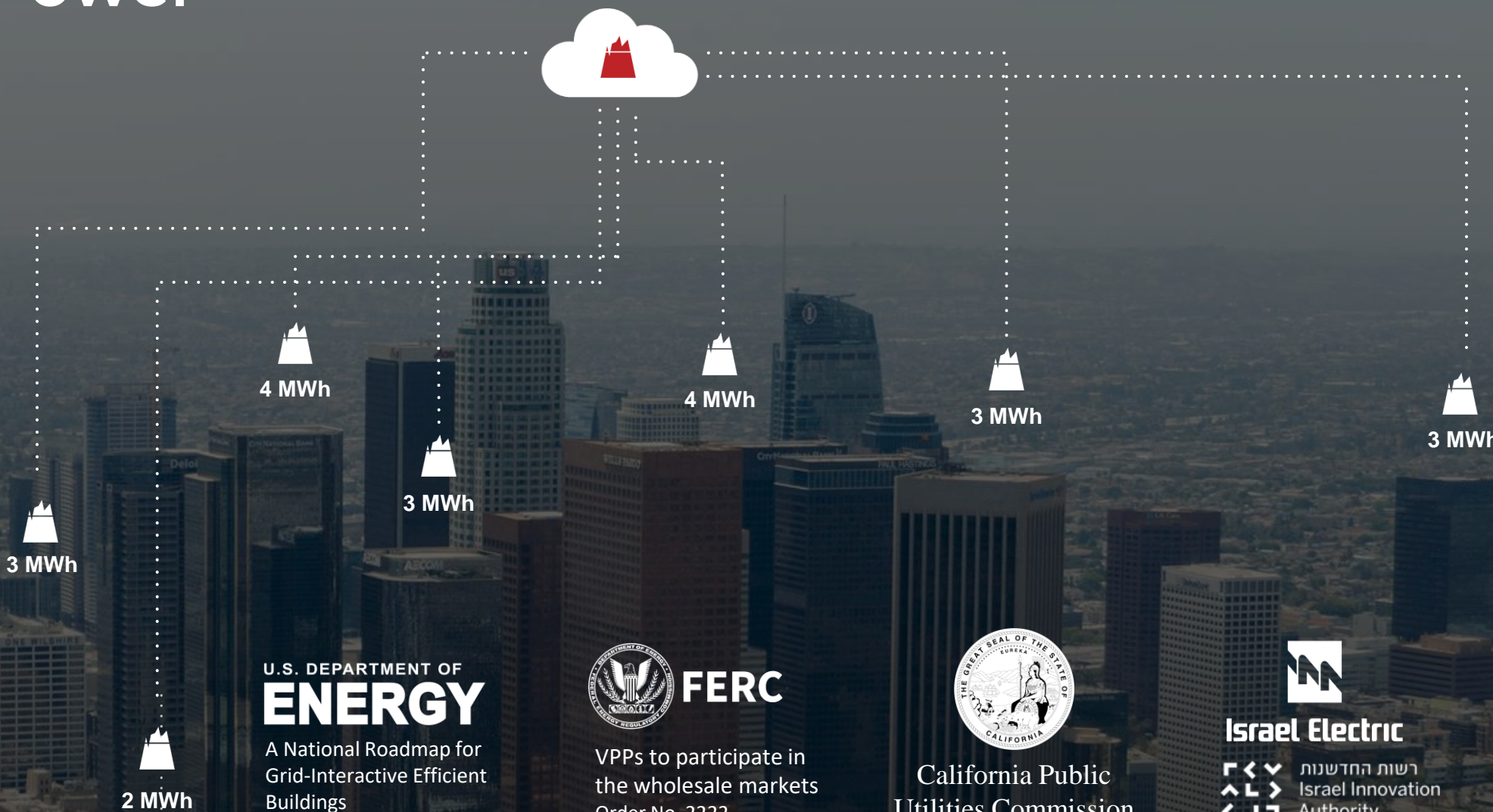


Cloud-based management enables real-time controls, optimization, analytics and grid integration

Virtual Power Plant

Multi-Megawatt dispatchable urban network, working interactively with the grid to enable demand flexibility

Resource Adequacy



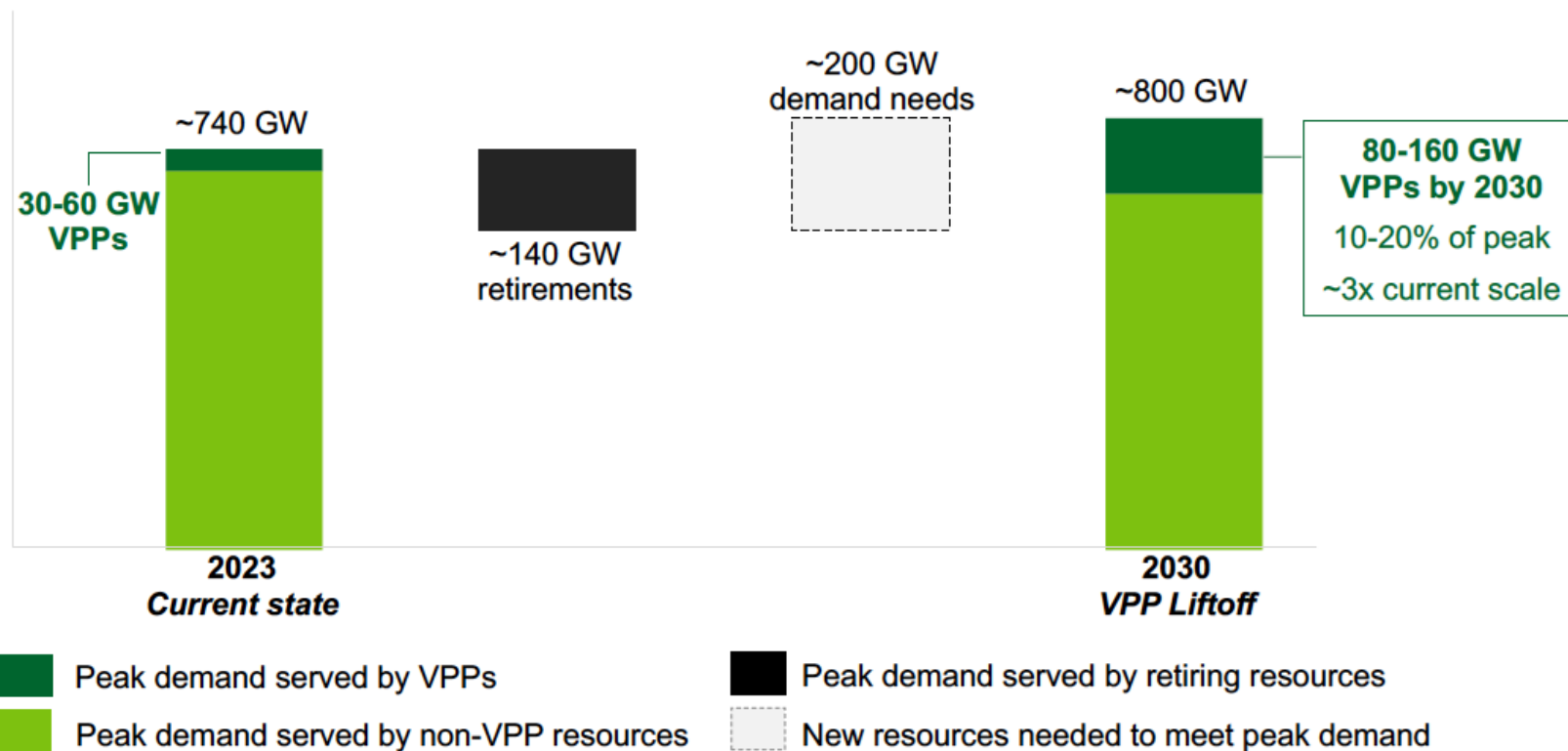
DOE set a goal for **VPPs to triple** by 2030 and contribute **80-160 GW** new capacity (half of total)

IceBrick technology can provide up to half of the target

Eligible buildings* 244,500
Total cooling load 45-50 GW

* Chilled water cooled, potential for the IceBrick technology

US Peak electricity demand



[The Pathway to Virtual Power Plants Commercial Liftoff](#)
U.S. Dept of Energy, September 2023

Grid-Interactive VPP & Building Performance System

Local Controller: Building Performance



- Variable charging & discharging - dynamic adjustment to other loads of the building, with real-time corrections

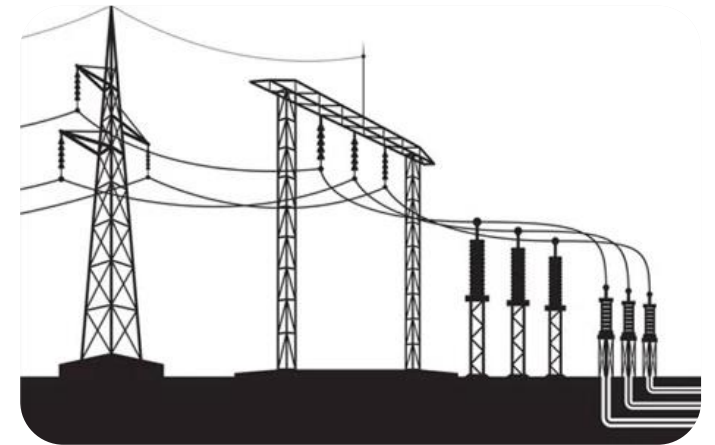
Cloud: Management Platform



- Forecast: site loads (cooling, total), wholesale market prices, hourly CO2 Kg/kWh
- Apply priorities: financial, carbon, backup
- Optimize revenue streams (wholesale, retail)
- Reporting, billing, carbon accounting, settlements

Expandable platform: Manage in the future other DERs in a building (storage, generation, EV chargers)

Grid Integration



- Demand response resource, operated as single/individual systems or as a fleet (aggregated)
- Automated energy bidding and receiving dispatch schedule / requests
- Sell qualified capacity (Resource Adequacy) to LSEs

* In development, completion 2024-2025

Built to Last

6,600

Thermal cycles
charge/discharge

300,000

Mechanical cycles
simulating thermal
cycles

20-25

Years simulated
operation

1%

Capacity loss

+20,000

Operating hours in 3
existing sites



100% MADE IN AMERICA

Eligible for **45X** Advanced
Manufacturing Tax Credits

Patents granted





Up to
20
LEED points

Free-up capacity to
charge more EVs

ICEBRICK™

+40%
capacity





NOSTROMO
COOLING GLOBAL WARMING

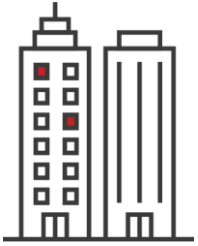
Commercialization



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US Addressable-Serviceable Market

\$250 Bn capital sales (turnkey)**\$18Bn** recurring revenue*

Office buildings



Hotels



Industry



Government



Hospitals

Large Scale
Retail

Education



Data Centers

* Wholesale market revenue, O&M, management fees

244,500

POTENTIAL FOR U.S. COMMERCIAL, CHILLER-COOLED BUILDINGS

Excludes: industry and data
centersEquivalent to **25%** of US
commercial real-estate

Source: Energy Information Agency (EIA)

Service Option | No Capital Cost.

Cost \$0 upfront, \$0 capital

NOI improvement Discounted Energy Purchase Agreement
Save +10% of cooling cost

Term 20-25 years

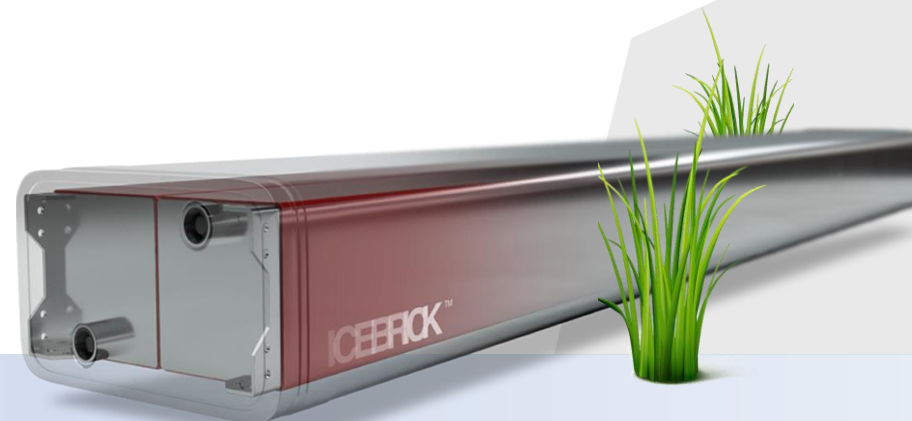
Purchase Option | Maximum Value.

Cost
Turnkey
Fully Commissioned
Gross \$2-3 million (most buildings)
~50% subsidized (tax credits, utility rebates etc.)

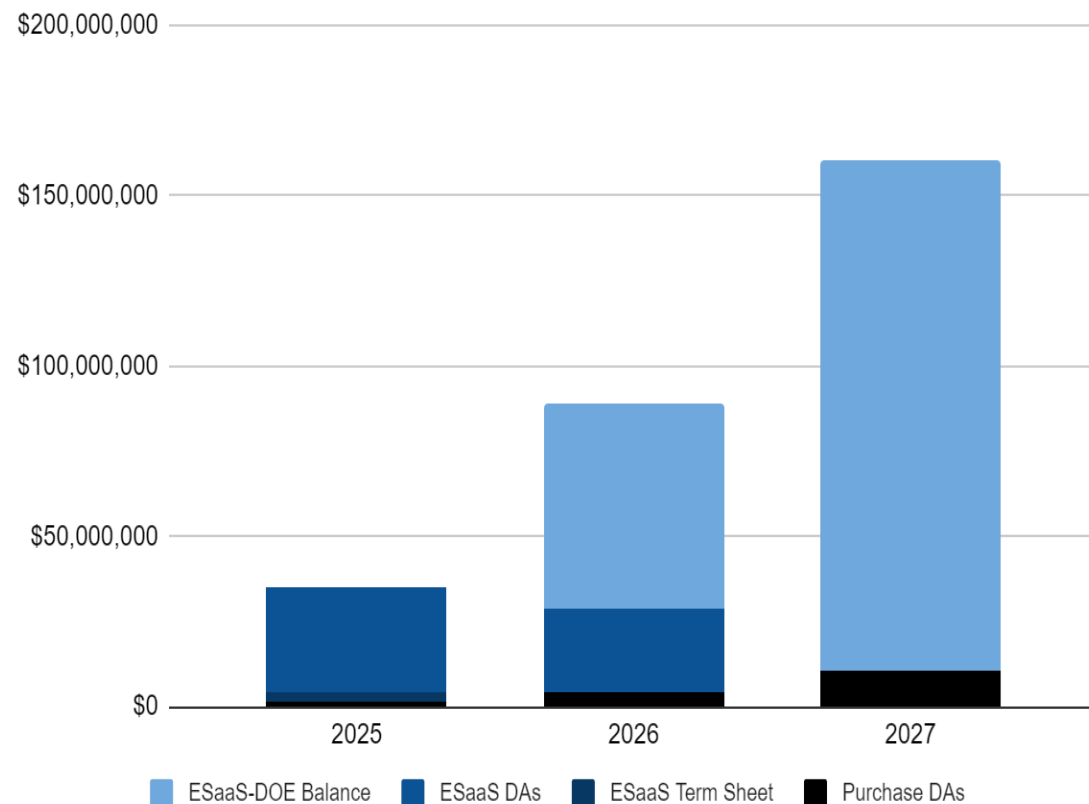
NOI improvement Save ~30% of cooling costs

ROI
(California)
Simply payback 4-6 year
IRR 15-20% IRR

Save ~200 metric Tons CO₂ annually



\$MM (turnkey)



- Signed development agreements (DAs) for IceBrick systems in 36 buildings
- Represents Approximately 63 MWh-equivalent service pipeline, +\$80mm of capex sales value (turnkey)
- Development Agreements include commitment to negotiate detailed contracts if Nostromo presents a plan for a system that meets specified performance targets
- Active engagements with an additional 9 owners or operators of large real-estate portfolios, with ~70 properties
- At least 29 buildings under energy-storage as a service model (see next slides)

\$271MM Project Financing

Scope

- 110-120 Systems (mainly California) placed in Energy Storage as-a-Service (ESaaS) model
- 100 MW / 250 MWh total capacity
- Upsizing potential to 200 systems (total budget \$445M)

Financing (original scope)

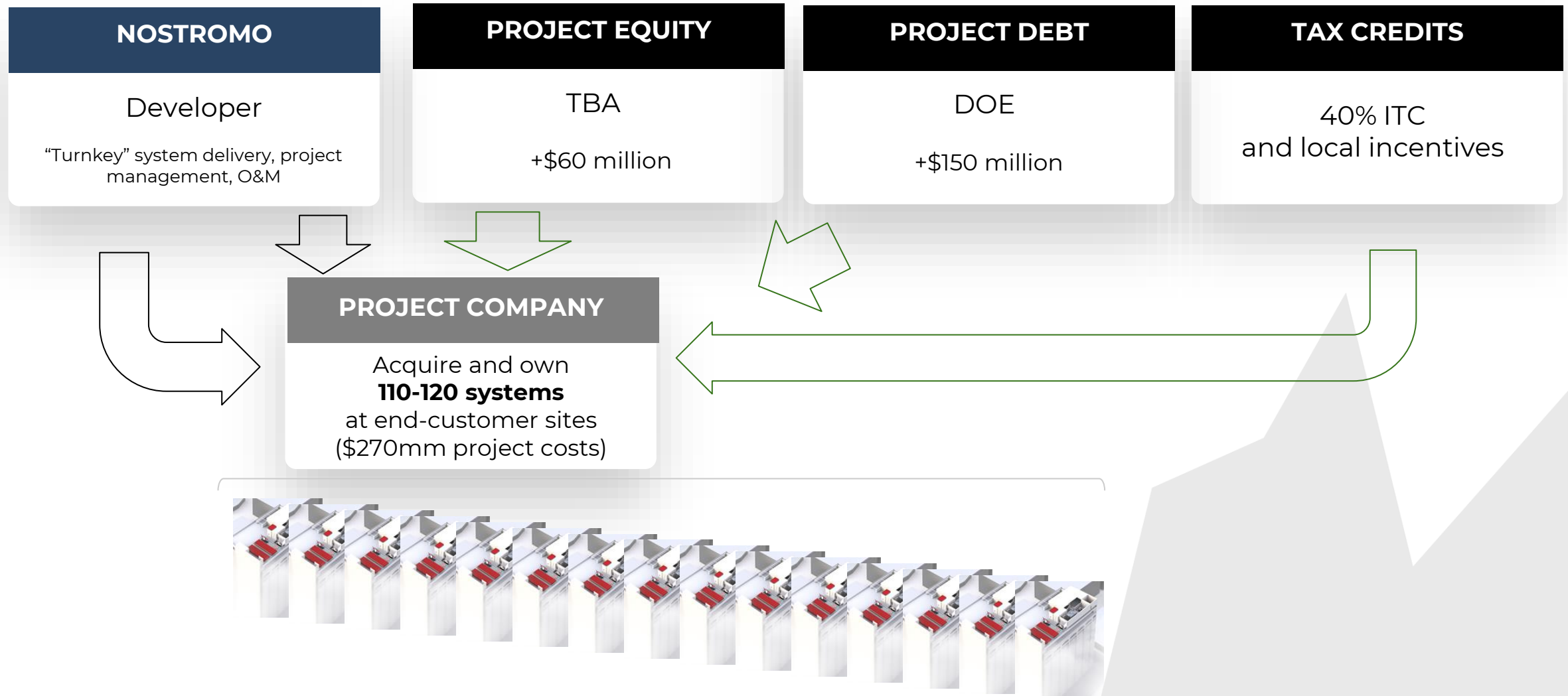
- +\$150MM DOE loan: In due diligence and term sheet negotiations (target signing Q3'24)
- \$70M project equity: signed term sheet with infrastructure and commercial real-estate asset management firm
- +20% levered IRR
- 40-50% ITC and local incentives

Pipeline

- 30 buildings signed up, more in process



Title XVII Innovative Clean Energy Loan Guarantee Program





U.S. General Services Administration

GSA and DOE select emerging technologies to accelerate the path to net-zero federal buildings

July 18, 2024

- **Heating, ventilation, and air conditioning (HVAC)** in commercial buildings comprises up to 44% of total on-site energy use. The GPG program will evaluate technologies that save energy and reduce greenhouse gas emissions. The technologies include **modular ice-based energy storage from Nostromo Energy**, a modular cold-climate air-source heat pump from Trane Technologies, specifications for Very High Efficiency HVAC from the Institute for Market Transformation, an air conditioning system incorporating a liquid desiccant and evaporative cooling from Blue Frontier, a refrigerant life cycle management strategy from effecterra, and an IoT-based building management system from 75F.

Read full release [here](#)

GSA and DOE will evaluate the IceBrick system at the Beverly Hilton and install a system at a Federal facility.

About GSA

8,400

owned and leased
properties

90%

>100,000 ft²

80%

energy spend in
buildings >200,000 ft²

About GPG

23

GPG technologies
deployed in 700+ facilities

1,151

technology applications

107

technologies evaluated



NOSTROMO





Yoram Ashery
CEO

2 successful global tech launches (0-\$100M), 3 IPOs, 2 acquisitions



Yaron Ben Nun
Founder, CTO

Energy efficiency, big data & analytics, IAF Fighter Pilot



Ori Asscher
SVP Eng. & Ops

Hybrid thermal, IoT R&D & major retrofit projects leader



Boaz Ur
Chief BD Officer

Demand response, oil-spill response, energy efficiency



Nir Vaiman
CFO

Multiple CFO and financial leadership roles, M&As and turnarounds



Doug Poffinbarger
Director, US West

Executive leadership in distributed resources and energy efficiency



Myriam Bin Nun*
VP Marketing

Marketing leader, >\$100M business unit and product manager



Sharon Green
VP Software

Led Front/Back end R&D, IoT, Devops, Mobile, cybersecurity



Kobi Zohar
VP Core R&D & QA

Multidisciplinary R&D, quality and reliability leader



* No family relation to Yaron Ben Nun

Ofir Ben Nun Steinberg,
Chairwoman

Co-Founder, Interactive Brokers IBKR introducing broker in Israel and 7 other countries

Yaron Ben Nun
Nostromo Founder

Dr. Jacob (Kobi) Richter

Serial inventor & entrepreneur, Co-Founder of Medinol and Orbotech

Rammy Molcho

Chief Economist, Taavura Group

Rani Lifshitz

CEO Teralight (formerly Menora Mivtachim Energy)

Asi Shalgi

Managing Partner OESG
Director General, Israel Ministry of Energy & Infrastructure
Built first IPP in Israel

Kim Shoham Nir

VP Regulatory Affairs,
The Israel Land Development Company Ltd.

IT'S NOT
Too late





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COOLING GLOBAL WARMING

Thank You

www.nostromo.energy