

NOSTROMO

COOLING GLOBAL WARMING

Decarbonizing Buildings and the Grid with

Distributed Smart Energy Storage

Clean, Sustainable, Efficient

Nostromo Energy Limited
(TASE: NOST)

June 2023



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1

Market Opportunity

2

The Nostromo System

3

Commercialization



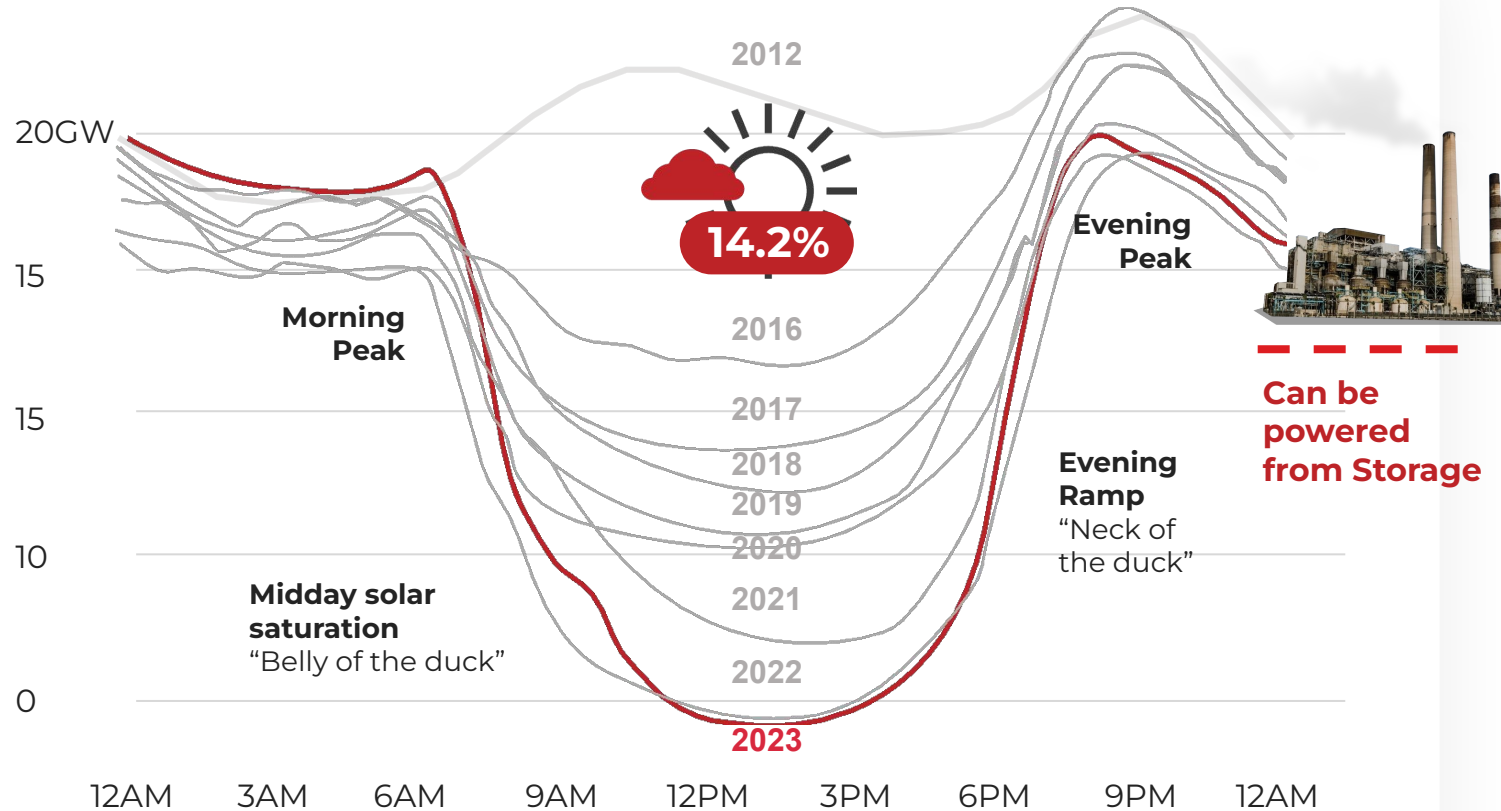


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Market Opportunity

Net Load (aka, the “duck curve”)
Grid electricity generated by fossil fuels

Typical spring day in California




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

intermittent renewable generation causes **grid instability** and dependence on polluting and inefficient **peaker plants**

Energy storage can balance the grid and enable use of renewables also when they are not available

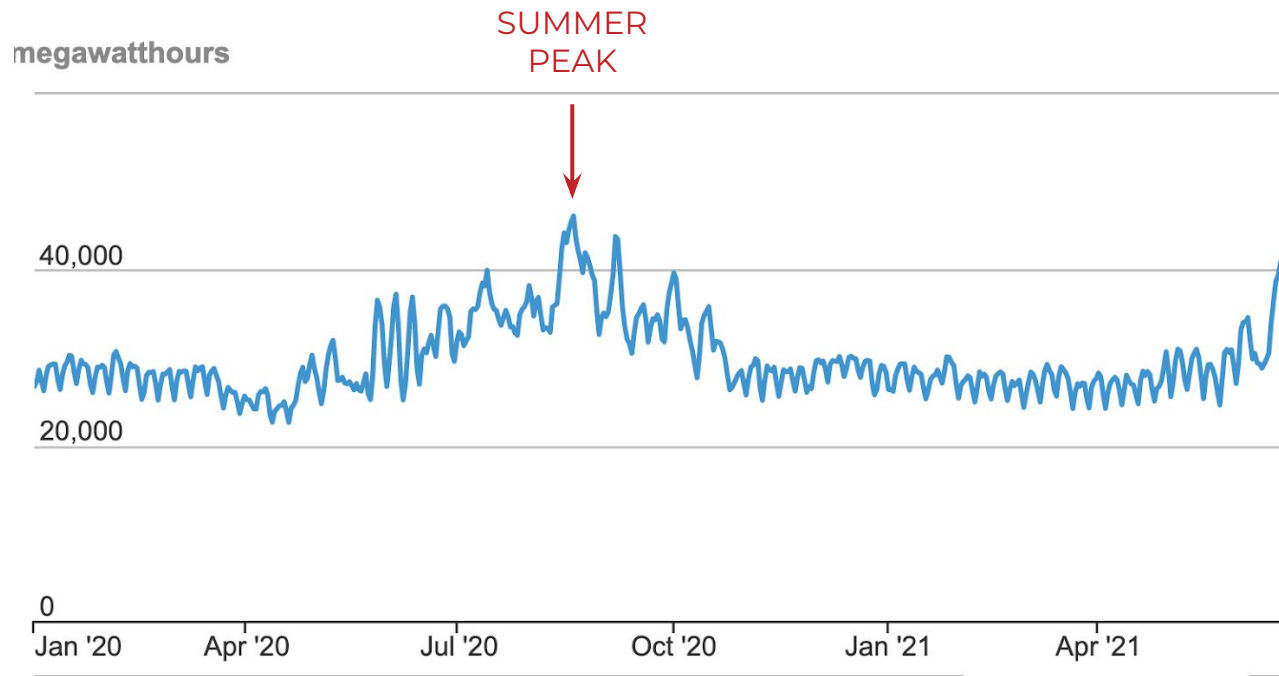
Buildings consume 74% of electricity



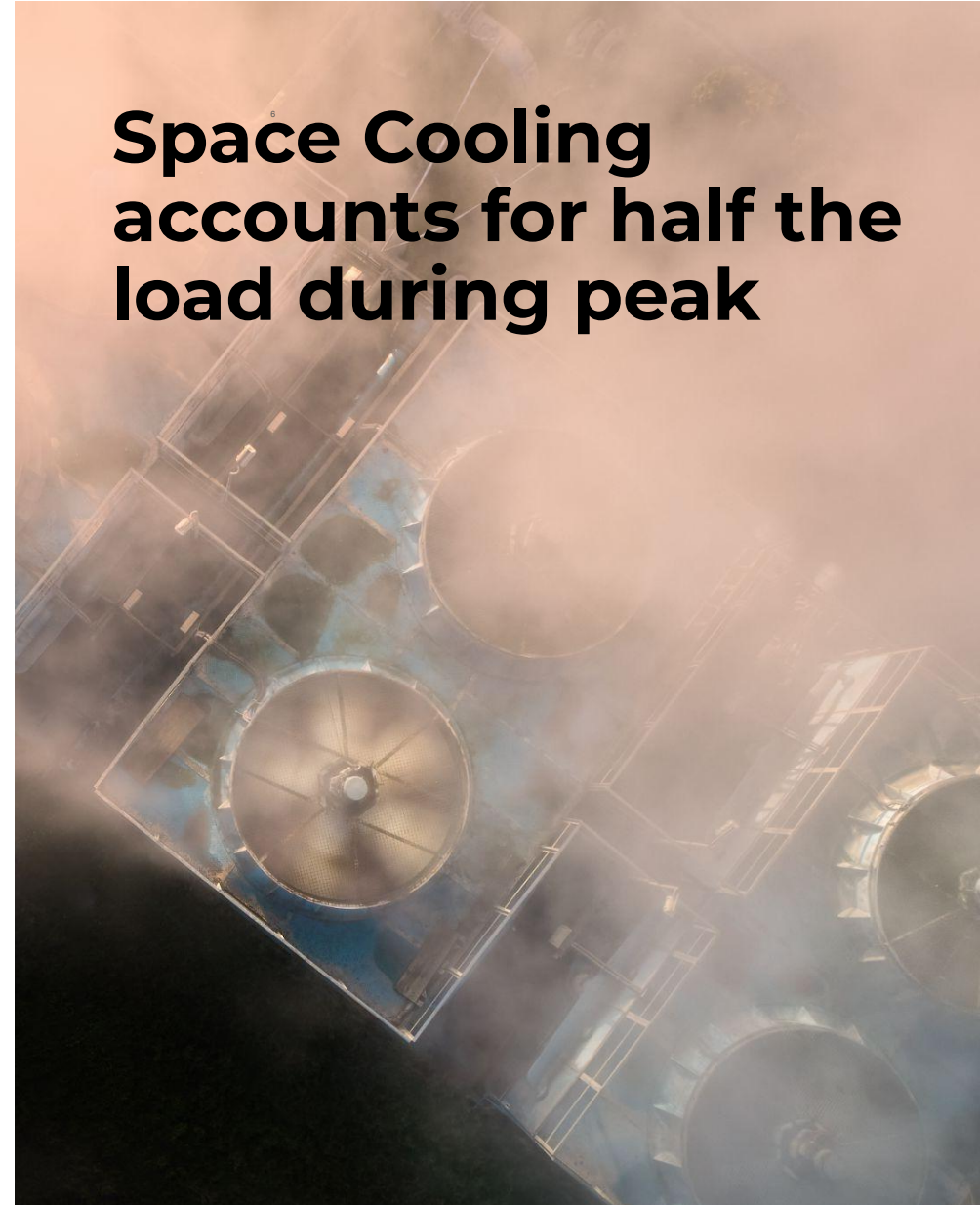
of which
Air Conditioning
at peak hours account for
30-70%
of total consumption

40-50% of demand at peak is due to space cooling

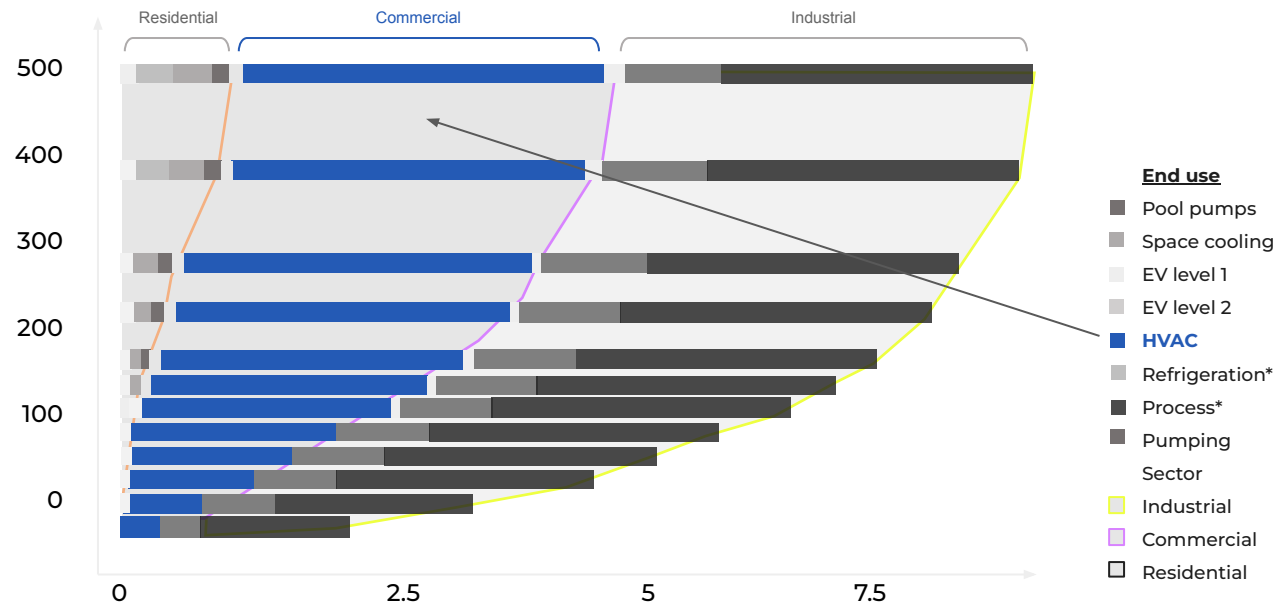
California, 2020-2021



**Space Cooling
accounts for half the
load during peak**



Potential for load shifting by Behind the Meter storage California, 2030



Space Cooling accounts for half the load during peak

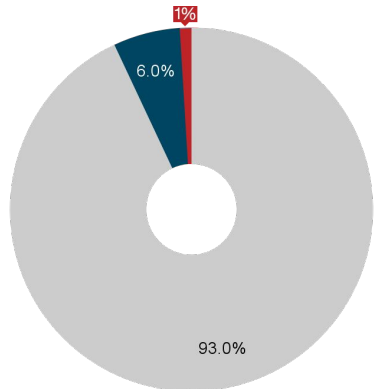
Commercial A/C (HVAC) alone
accounts for **> 1/3 of the total
potential** of load shift with **behind
the meter** energy storage, and
almost **the entire potential in the
commercial** sector

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

Behind the Meter storage provides demand flexibility for **balancing the grid** and **saves infrastructure** investments

The Problem

C&I is only 1% of Total Storage (2021-2022)



● FTM ● BTM Residential ● BTM Non-residential

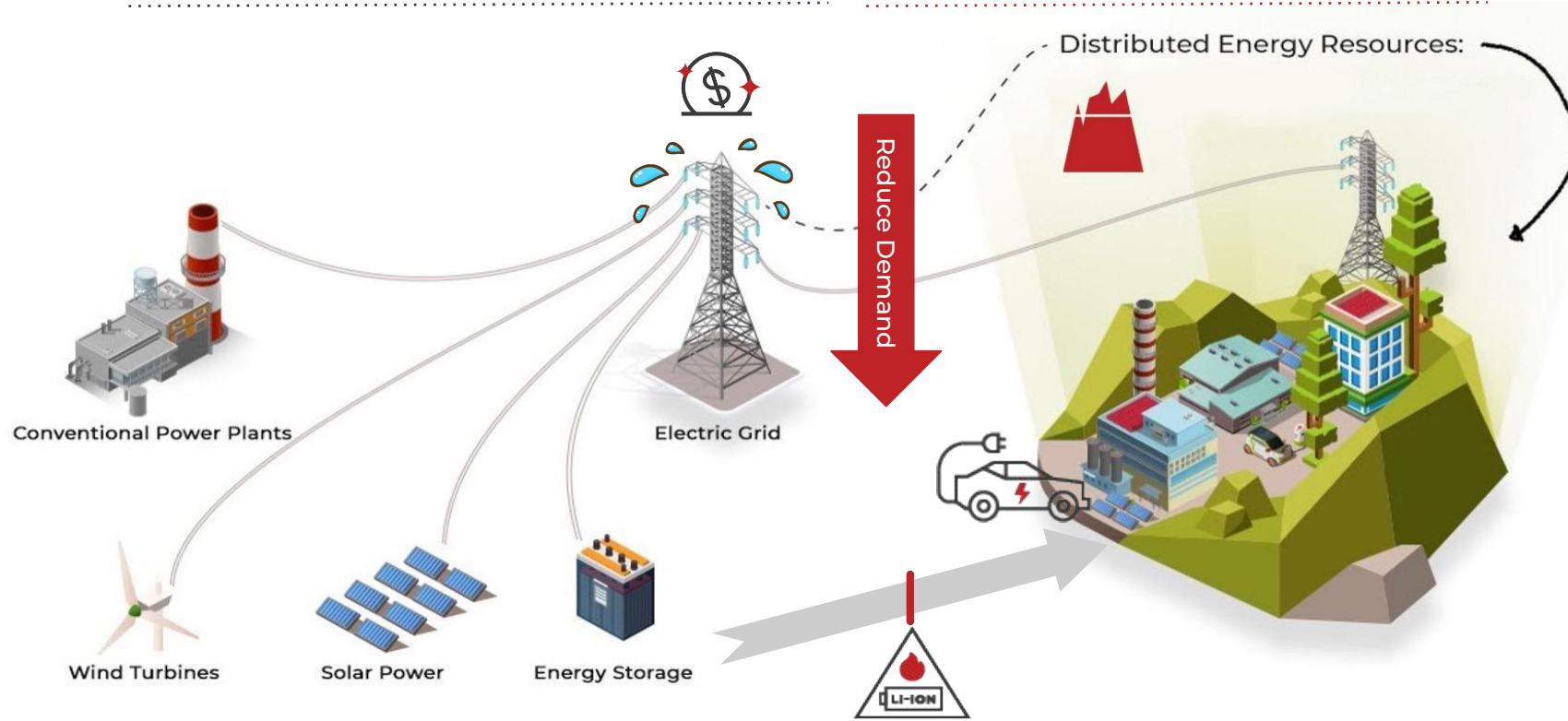
Source: Wood Mackenzie

Front of the Meter Storage

Supply side

Behind the Meter Storage

Demand side



"California and New York and Texas ... were saved by **demand flexibility** programs this year"

Jigar Shah, Director, DOE Loan Program Office
ENERGYWIRE | October 6, 2022

VPPs provide same resource adequacy as gas peakers, large batteries, at up to 60% less cost

UTILITY DIVE | May 5, 2023

"It's fairly clear that **C&I** energy storage uptake is **lagging behind** significantly."

ENERGY STORAGE NEWS | Feb 9, 2023

THE OPPORTUNITY

“In the United States, buildings consume approximately 39% of all primary energy and 74% of all electricity.

Thermal end uses (e.g., space conditioning, water heating, refrigeration) represent approximately 50% of building energy demand and is projected to increase in the years ahead.

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.”

U.S. DEPARTMENT OF
ENERGY

BUILDING TECHNOLOGIES OFFICE

<https://www.energy.gov/eere/buildings/thermal-energy-storage>



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The Nostromo System

NOSTROMO'S ICEBRICK

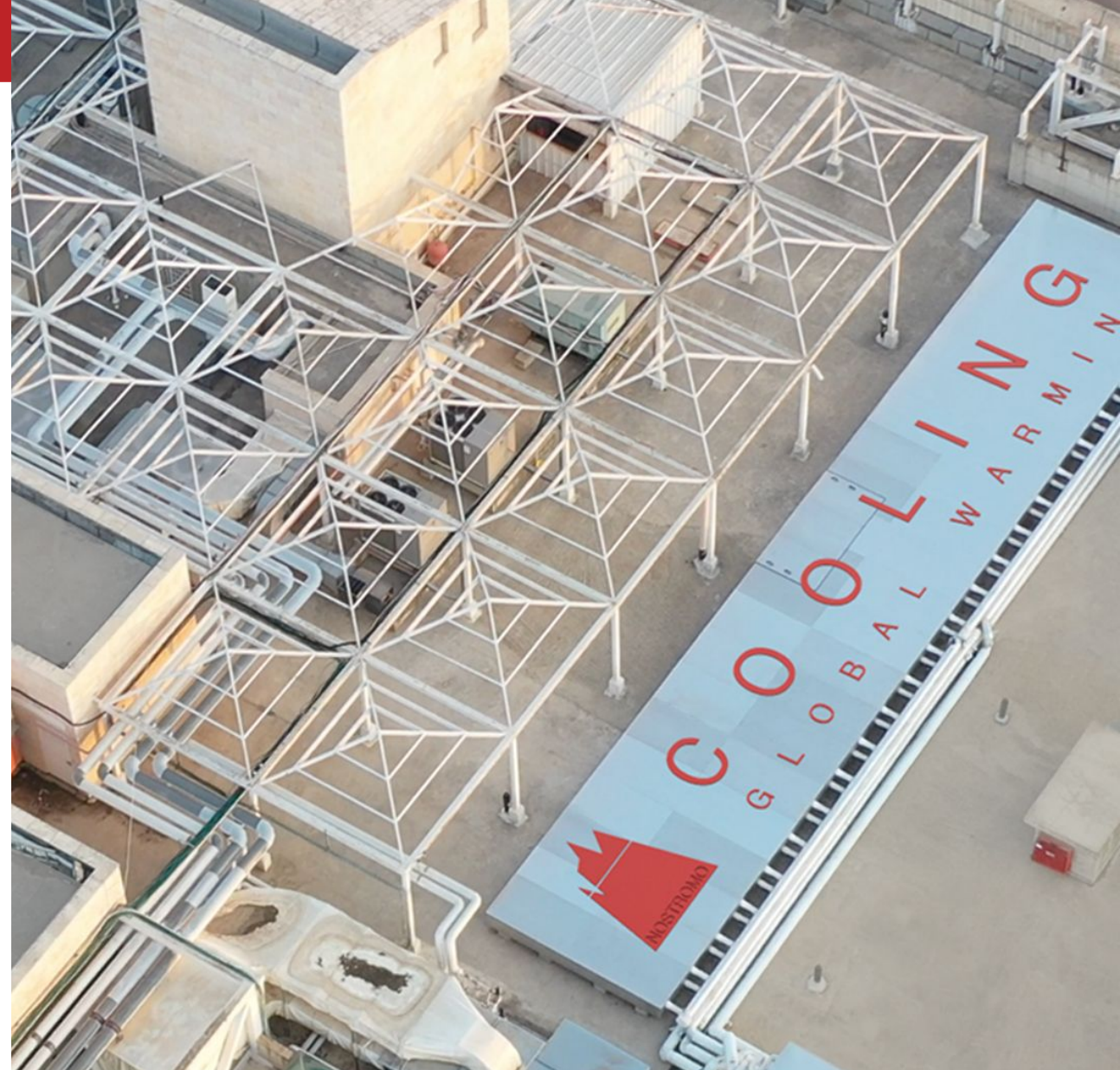


The first modular ICE storage cell for storing cold energy.

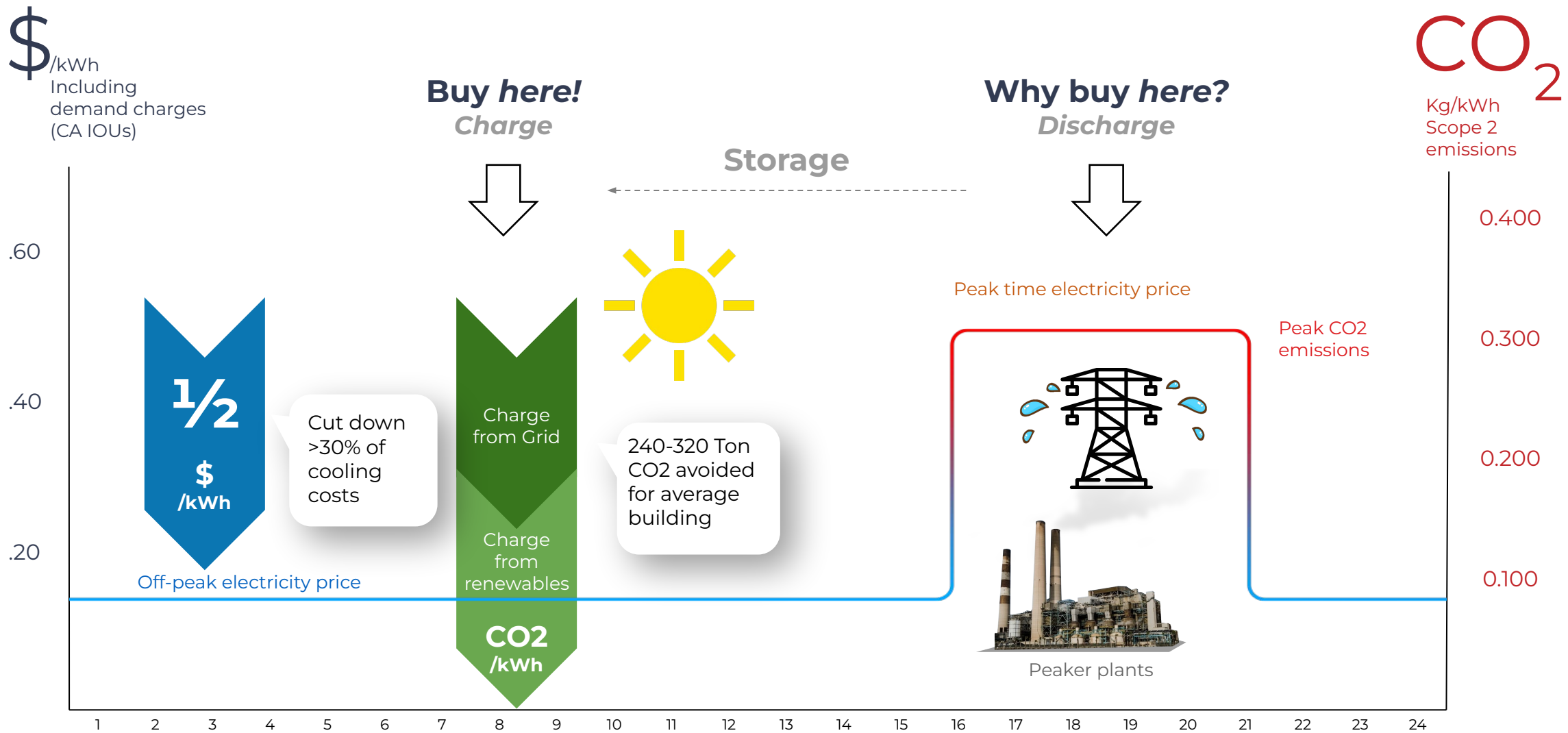
Durable, sustainable, safe and clean water-based solution

Designed for retrofitting existing commercial buildings, at scale

[Video](#)



CUT ENERGY COSTS AND CARBON EMISSIONS





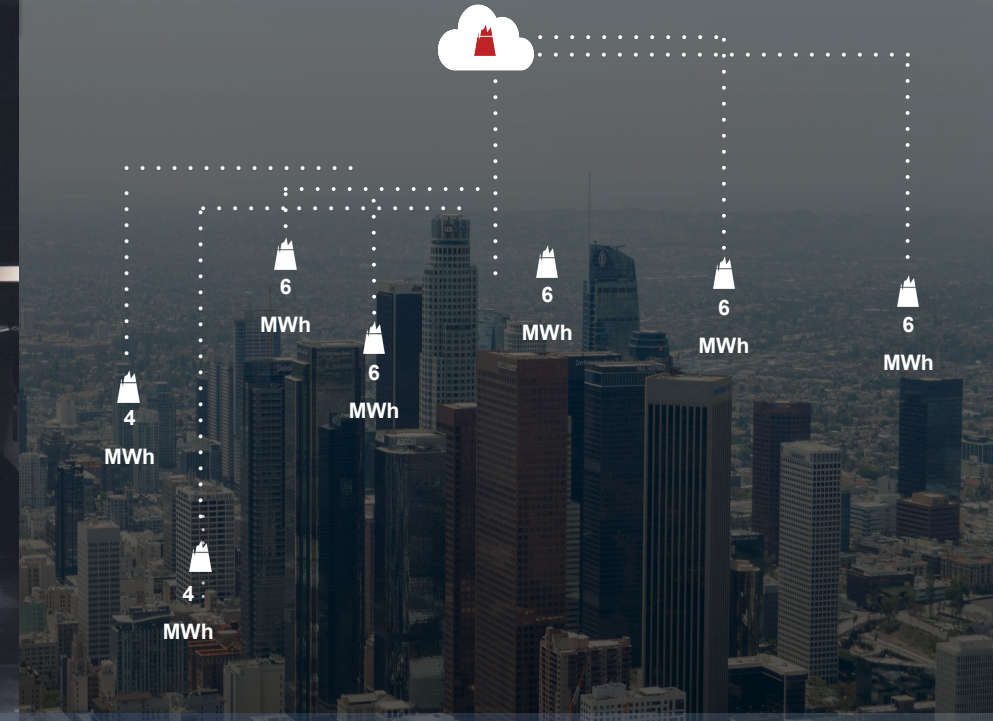
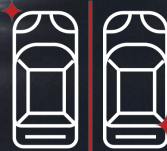
**Free-up capacity
to charge more
EVs**

Aggregation
**Virtual Power
Plant**

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

**Up to 20
LEED points**

**+40%
capacity**



Built to Last

6,600

Thermal cycles
charge/discharge

300,000

Mechanical cycles
simulating thermal
cycles

20-25

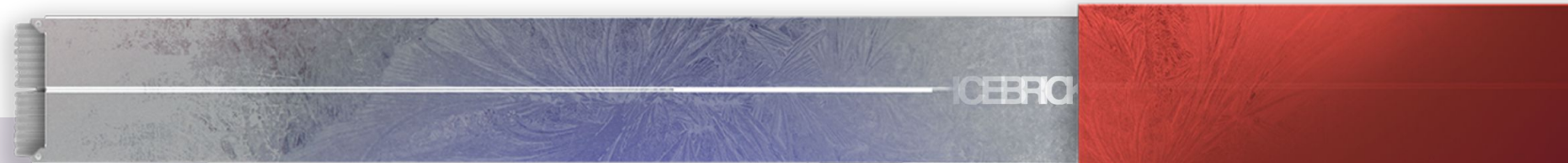
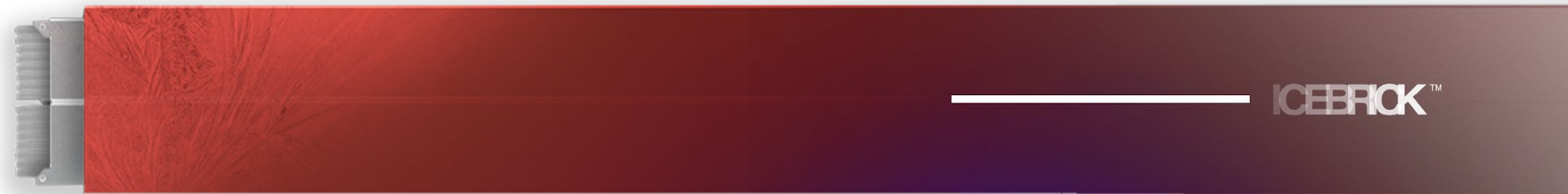
Years simulated
operation

1%

Capacity loss

+12,000

Operating hours in
3 existing sites





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Commercialization

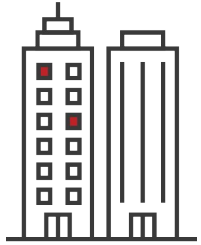


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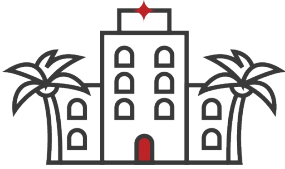


US Serviceable Addressable Market:

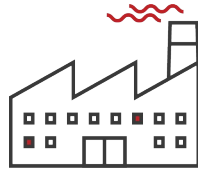
\$311 Bn initial installations (capital sales)
\$7 Bn recurring management & O&M fees



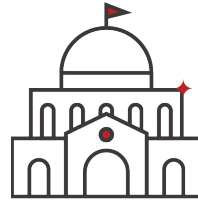
Office buildings



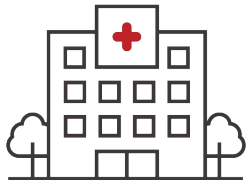
Hotels



Industry



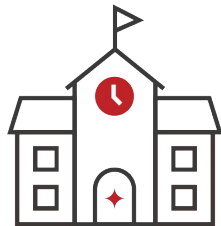
Government



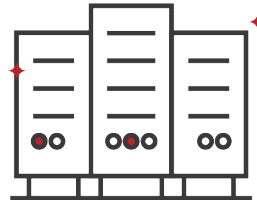
Hospitals



Large Scale
Retail



Education



Data Centers

Source: Woods Mackenzie, McKinsey.

244,500

U.S. COMMERCIAL, CHILLER-COOLED BUILDINGS

Excludes: industry and data centers
Equivalent to 25% of US commercial real-estate

“Land and Expand” Through Scalable Partners

Industry Partnerships

- Architects & Engineers
- General Contractors & Builders
- Energy Services Contractors (ESCO)
- Mechanical Contractors
- Consultants
- Industry Associations
- Distributors (future)
- Affiliate Programs (future)

BENEFITS

- New business origination
- New customers
- Repeatable predictable revenues
- Differentiation
- Green brand benefits

Utility Partnerships

- Investor-Owned Utilities
- Community Choice Aggregators (CCA)
- Municipal utilities
- Cooperative
- Retail Energy Providers
- Federal UESCs

BENEFITS

- Resource adequacy credits
- Defer infrastructure investments
- Load flexibility and resilience

C&I Partnerships

- Building Owners
- REITs
- Property Managers
- Brand Managers

BENEFITS

- Cost savings / NOI improvement
- Carbon reduction with reporting
- Reliability
- Asset appreciation

USA



BEVERLY HILTON*

Visitor Center, CA
Complete Q2'23



1,200 kWh



SANDSTONE*

Office Building, LA
All permits received



900 kWh



ANHEUSER-BUSCH*

Beer manufacturer, NY
Expected H2'23



1,000 kWh



UNIVERSITY**

TBA, CA
Expected H2'23



3,000 kWh



DATA CENTER**

TBA
Expected H2'23



2,000 kWh

ISRAEL



ELECTRA M&E

HVAC Integrator, Israel
Completed



200 kWh



MEDINOL

Medical Device, Israel
Completed



600 kWh



SOROKA*

1,100-bed hospital,
Israel
Expected H2'23



1,000 kWh



HOSPITAL #2**

TBA (Government)
Expected H2'23



1,200 kWh



DATA CENTER**

Partner TBA
Expected H2'23



1,100 kWh



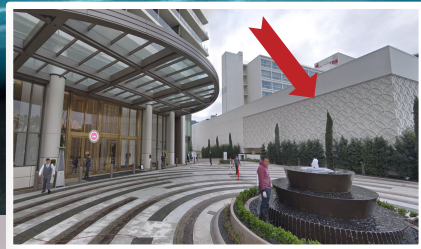
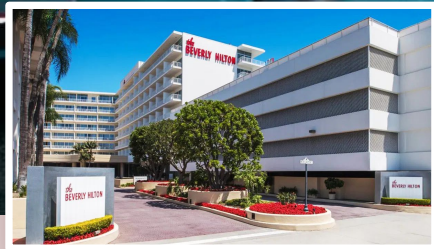
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* In design/construction

** In contract/negotiations

IceBrick® Visitors Center

Opening June 2023 at the Beverly Hilton



Summary Contract Terms

Service Option | No Capital Cost.

Cost	\$0 upfront, \$0 capital
Term	20 years
NOI improvement	Purchase (stored) energy at discount to utility price Save on total cooling energy costs
Incentives and wholesale revenue	Retained by Nostromo/owner
O&M and management fees	Included in energy price
Purchase option	After 5 years, at FMV

Purchase Option | Maximum Value.

Cost (before incentives)	Turnkey (retrofit) \$900-1,300 kWh Turnkey (new construction) ~ 2/3 Turnkey Retrofit Equipment ~ 1/3 Turnkey Retrofit
Incentives	ITC, utility rebates, bonus depreciation
NOI improvement	Mid double-digits on cooling energy (unlevered)
Wholesale revenue	50%
O&M and management fees	1% on gross purchase cost
LCOS	Lithium-ion \$442-643
Unsubsidized, standalone C&I, Lazard 7.0 \$/MWh-yr	IceBrick Retrofit Turnkey \$427-510
	IceBrick Newbuild Turnkey \$360-413

\$176 Million DOE Loan Guarantee

Title XVII Innovative Clean Energy Loan Guarantee Program

Scope

- 110-120 Systems (mainly California)
- 275 MWh (100 MW) total capacity
- Project value \$271 MM

Process & Timeline

- Successfully passed Part 1 - eligibility, innovation, GHG reduction
- Part 2 under review (submitted 4'2023)
- Targeting to close in H2'23

* Financing will be given to a dedicated Project Company (aka, special purpose entity) that will be established and is conditioned, among other things, on the raising of additional capital for the Project Company.



IT'S NOT

Too late





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Thank You

www.nostromo.energy

Limited competition in the C&I (commercial & industrial) segment

	 NOSTROMO	Traditional ice-based systems	Lithium-ion batteries
Energy	Cold (thermal)	Cold (thermal)	Electric
Urban/C&I Compatible (Retrofit)	✓	✗	✗
Low Degradation	✓	✓	✗
Fast/Simple Permitting	✓	✓	✗
Round Trip Efficiency	✓	✗	✓
Safety	✓	✓	✗
Fast Dispatch (Peak Hours)	✓	✗	✓
Supply Chain Stability	✓	✓	✗
Recyclable	✓	✓	✗