

CPP Investments partners with Power2X to invest in green molecules market

AMSTERDAM, THE NETHERLANDS / TORONTO, CANADA; 12 JULY 2023 - Canada Pension Plan Investment Board (CPP Investments) and hydrogen project developer Power2X today announced a long-term investment partnership aimed at advancing Power2X's leading role in the global clean energy transition.

The partnership plans to invest an initial €130 million to accelerate the growth of Power2X as a development platform and fund green molecule projects. The investment supports Power2X's mission to become a long-term developer, owner, and operator of next-generation energy assets with a focus on green hydrogen and other clean molecules such as green methanol and ammonia.

Bruce Hogg, Managing Director, Head of Sustainable Energies, CPP Investments, said: "Investing in Power2X is fully aligned with our ambition to play a leading role in the energy transition. The need for industrial decarbonization is increasing rapidly, and green molecules have a vital role to play in meeting these demands, whether to create alternative fuels, hydrogen, or renewable feedstocks such as green ammonia. With Power2X's development capabilities and CPP Investments' flexible capital and sustainable energies expertise, this partnership enables us to invest in next-generation energy assets at an industrial scale with long-term business partners."

Power2X develops large-scale new energy assets and infrastructure focusing on decarbonizing industrial value chains and heavy transport in collaboration with industrial companies around the world. The company is focused on clean hydrogen, ammonia, and methanol, with a diverse portfolio of projects that are initially prioritising European demand. Under the terms of the deal, CPP Investments will acquire a majority interest in Power2X.

Occo Roelofsen, CEO, Power2X, said: "In 2020, we founded Power2X to have a lasting impact on world's energy transition, by focusing on green and clean molecules. Working with CPP Investments will enable us to accelerate our ambition to become a leader in green molecules, and, in doing so, continue on our journey as a long-term and serious player in this critical arena of global sustainability. Announcing this partnership with CPP Investments today shows how far our team have come in a very short time. We are actively participating in hydrogen projects, such as ErasmoPower2X, a €1 billion solar and hydrogen plant, and MadoquaPower2X, a €1 billion industrial-scale hydrogen and green ammonia project."

The term "green molecules" refers to the application of green hydrogen and its derivatives, including green ammonia and green methanol, to decarbonize non-power, hard-to-abate industrial activities. Notably, these green molecules can act as direct replacements for process feedstocks or transportation and heating fuels.

CPP Investments has committed its portfolio and operations to be net zero of GHG emissions across all scopes by 2050. The organization is focused on enabling an economy-wide evolution to a low-carbon future.

The CPP Investments Sustainable Energies group holds a diversified portfolio primarily comprising long-term tangible assets and invests in renewable and conventional energy, carbon capture,

utilities, power generation, and emerging and disruptive opportunities. As of March 31, 2023, the Sustainable Energies group portfolio totalled C\$32 billion in net assets.

By joining the Sustainable Energies group's portfolio, Power2X will significantly increase its ability to lead the green molecule transition and support efforts to tackle emissions from the world's hardest-to-abate industries.