

FORGET WHAT YOU KNOW ABOUT PUMPED HYRO

- **MATTHEW LAWSON** | CFO, SUNSHINE HYDRO
- 23.09.2022

Nichi-Go Global x J-Bridge Webinar #4
Green Energy Technology Opportunities in Australia

By Sunshine Hydro

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Introduction- Matt Lawson

Matthew Lawson, Chief Financial Officer and Director

B.Bus / CPA

LinkedIn <https://www.linkedin.com/in/matthewlawsonfinancial/>



- Matthew is a highly skilled CFO with 30 years experience.
- Working very closely with the Sunshine Hydro board, senior management, and software & project teams to deliver the business's strategy.
- Passionate about his role at Sunshine Hydro, to grow our business and make a meaningful impact in decarbonising the planet.
- Matthew is known for his strength in connecting with teams to align performance with achieving set operational and financial outcomes.
- Matthew has now been working in the Sunshine Hydro business for over 12 months.
- Matthew has also been working very closely with Sunshine Hydro's external advisors and partners including PwC, Norton Rose, Pilot Partners and several other key investment advisors.

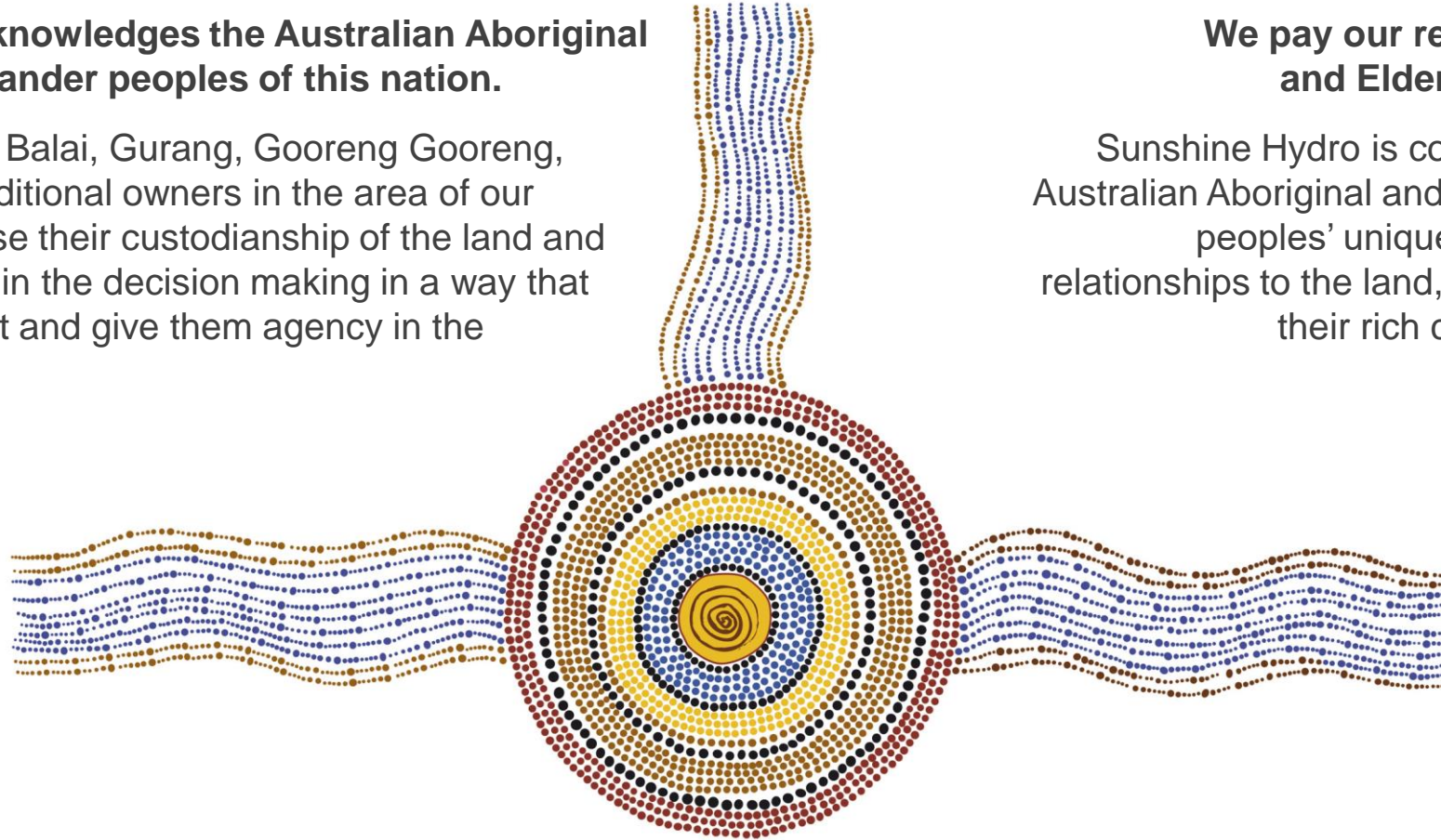
Acknowledgment

Sunshine Hydro acknowledges the Australian Aboriginal and Torres Strait Islander peoples of this nation.

We acknowledge the Balai, Gurang, Gooreng Gooreng, Taribelang Bunda traditional owners in the area of our projects. We recognise their custodianship of the land and seek to include them in the decision making in a way that will bring employment and give them agency in the development.

We pay our respects to ancestors and Elders, past and present.

Sunshine Hydro is committed to honouring Australian Aboriginal and Torres Strait Islander peoples' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.



We proudly feature the logo from the Gidarjil Development Corporation www.gidarjil.com.au

Who We Are- Our Board



Michael Myer
Chairperson and Director

- Michael is a serial entrepreneur with experience in start-up ventures and sustainable development
- Leading practitioner of Conservation Sustainable Development
- Won the award for the Best Environmental Development in Queensland in 2007 (UDIA) and, the Best Environmental Development in Australia in 2008 (UDIA)



Rick McElhinney
Chief Executive Officer

- Michael is a serial entrepreneur with experience in start-up ventures and sustainable development
- Leading practitioner of Conservation Sustainable Development
- Won the award for the Best Environmental Development in Queensland in 2007 (UDIA) and, the Best Environmental Development in Australia in 2008 (UDIA)



Chris Baker
Chief Technical Officer

- Chris is a civil and software engineer with a recent focus on electro-mobility and renewable energy integration
- Joint venture partner in Eco Boats Australia Pty Ltd
- Owner of Creative Engineering Australia Pty Ltd, that has developed software for geometric design of highways and other major civil engineering projects



Matthew Lawson
Chief Financial Officer

- Matthew is an experienced CFO and has owned and run businesses for over 30 years
- Proprietor of Lawson Financial
- Strong skillset in business management and problem-solving skills, delivering outcomes and exceeding expectations



Simon Currie
Principal & Co Founder

- Previously Head of Energy at Norton Rose
- Advised clients across 70 countries on over 30GW of wind power projects, 10GW of solar power projects and many GWs of biomass, hydro, geothermal and storage projects
- Renowned leader and pioneer in the transformation of the global energy sector

Sunshine Hydro Business Model

Sunshine Hydro has a uniquely clever and diversified business model.

-> The business derives revenue from two specific but connected business divisions. As below:

(1) AESOP Software license fee sales, & (2) Development fee revenue following the sale of "Superhybrid Projects" that have been delivered by SH through early stage development to the point of financial close.

(1) REVENUE STREAM #1 - AESOP Sales Model.

-> AESOP software license fee revenue is derived via (1) sales to both external greenfield / brownfield project operators, & (2) sales to internal SH greenfield superhybrid projects. Software license fees include (1) An AESOP base license fee of \$100K, (2) A digital twin product which creates a twin of the project to assist with modelling project performance scenarios and financial optimisation @ \$250,000 (3) A master fee of \$2.5M is charged for a project progressing to financial close).

-> A recurrent revenue stream is also achieved via the charging of a "Green Energy Input Fee" for live projects (internal and external) using AESOP. SH will charge a fee of \$1.68 per megawatt hour of wind and solar green energy inputs.

-> SH also derives revenue from consultancy fees in supporting software integration and superhybrid project optimisation.

(2) REVENUE STREAM #2 - Superhybrid Project Development (Early Stage) Revenue.

-> SH plans to develop a portfolio of Superhybrid Renewal Energy Projects.

To date the business has progressed multiple projects in Australia, and the more advanced projects have land and other rights secured.

-> SH currently has a portfolio of 10 x Greenfield Superhybrid projects that are all in early stages of development.

-> SH's multifaceted approach to projects means that it is able to generate multiple forms of revenue and shareholder benefits, including:

Land Banking - The build up of suitable project land sites - planned for 100 x pumped super hybrid hydro developments.

Sale / Part Sale of Superhybrid projects - As the project developer SH will make decisions regarding the optimal time for divestment of its Superhybrid projects. Some projects will be taken through to financial close and some divested at an earlier point. SH is well placed to manage development risk on a portfolio wide basis.

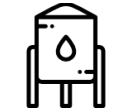


The Superhybrid Model

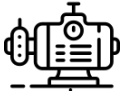
A Superhybrid™ model typically includes wind and solar farms feeding into a pumped hydro project which is linked to a hydrogen generation and liquefaction plant together with fuel cell and battery so as to achieve deep storage across several days.



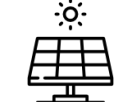
AESOP optimises performance



Upper and lower water reservoirs



Hydro pump and generator



Wind and solar



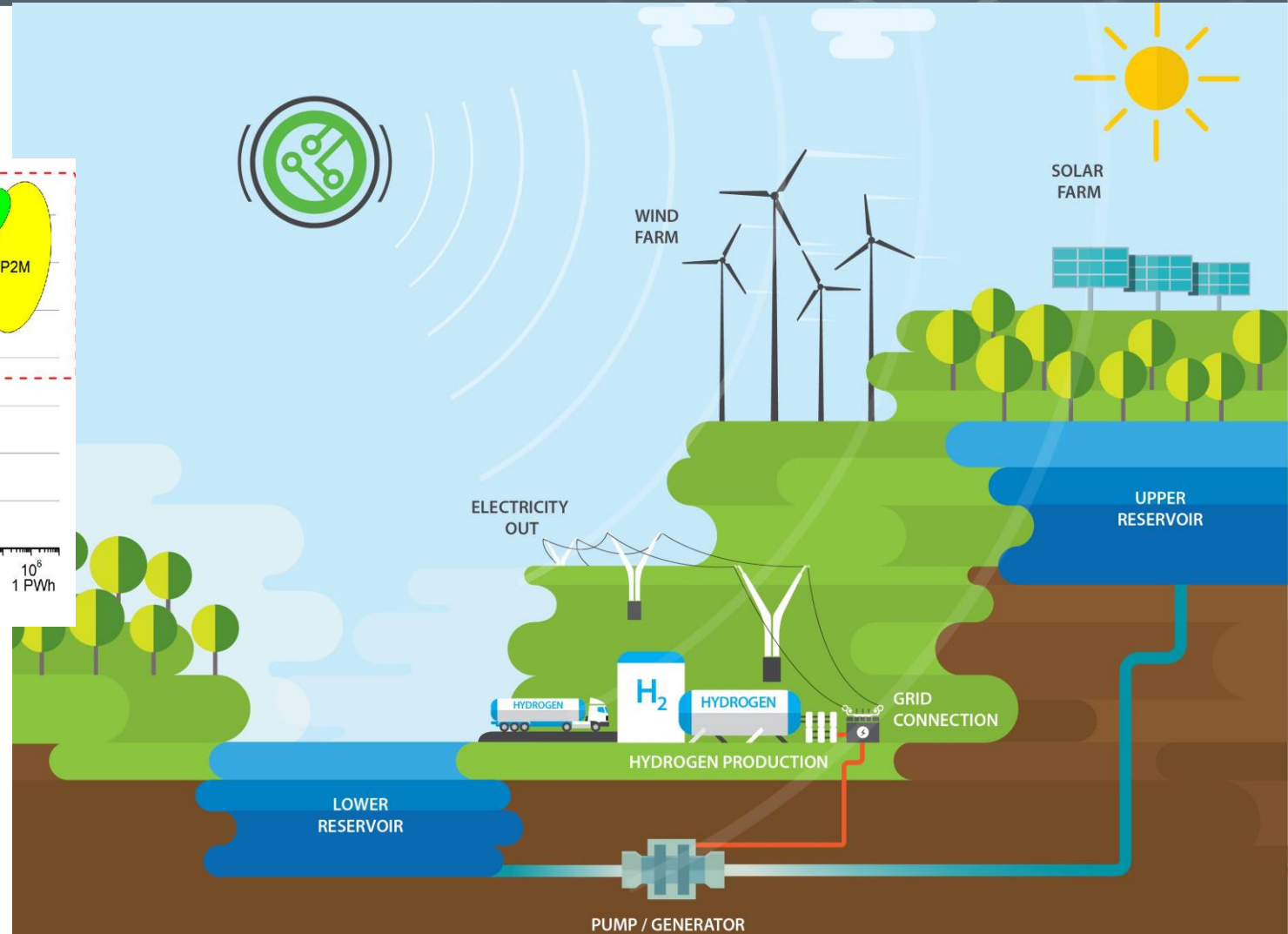
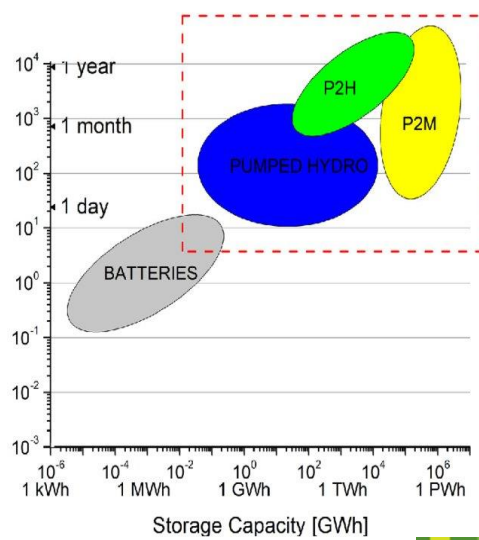
Grid connection



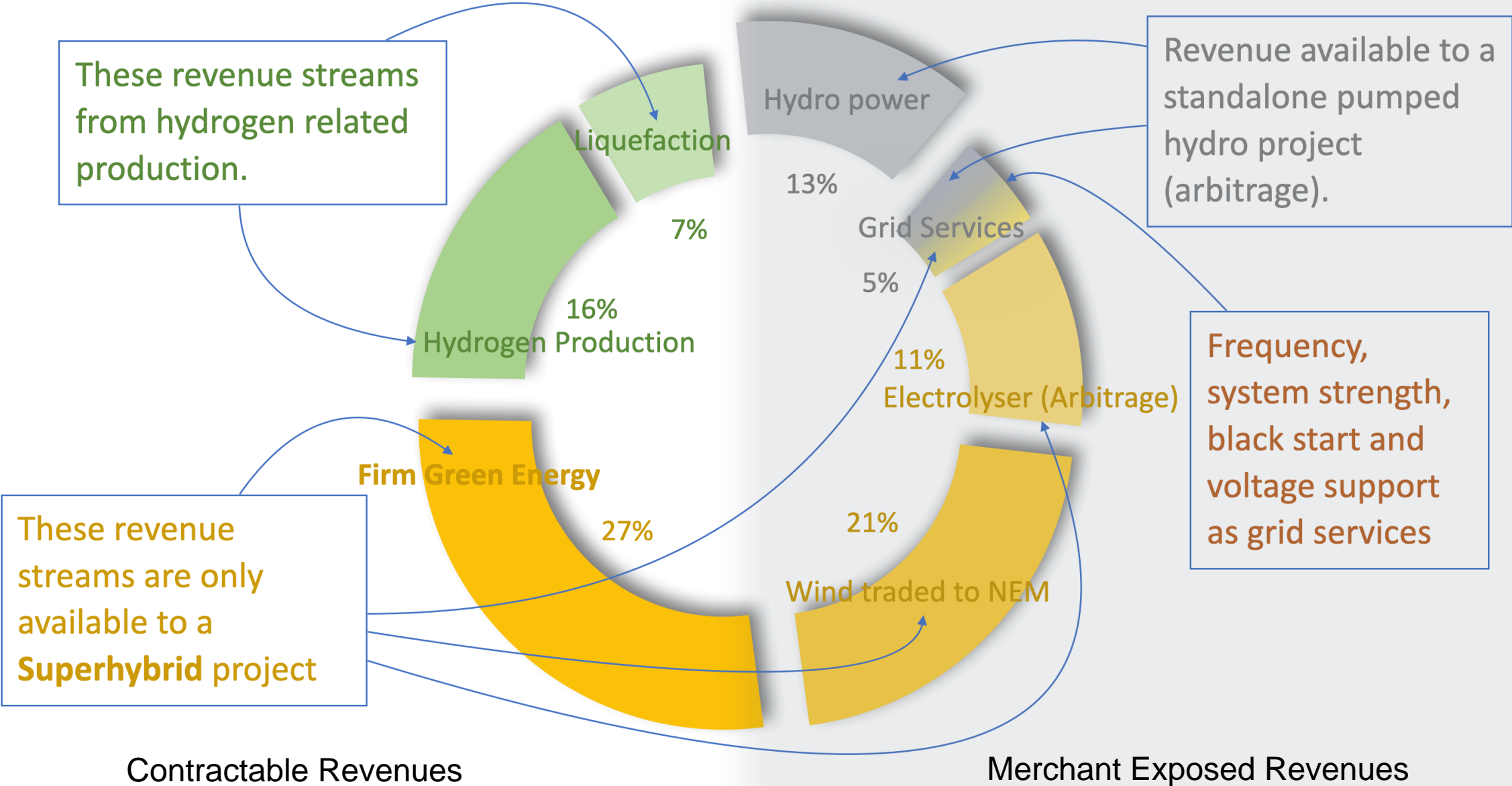
Electrolyser (Proton Exchange Membrane type generating hydrogen & oxygen)



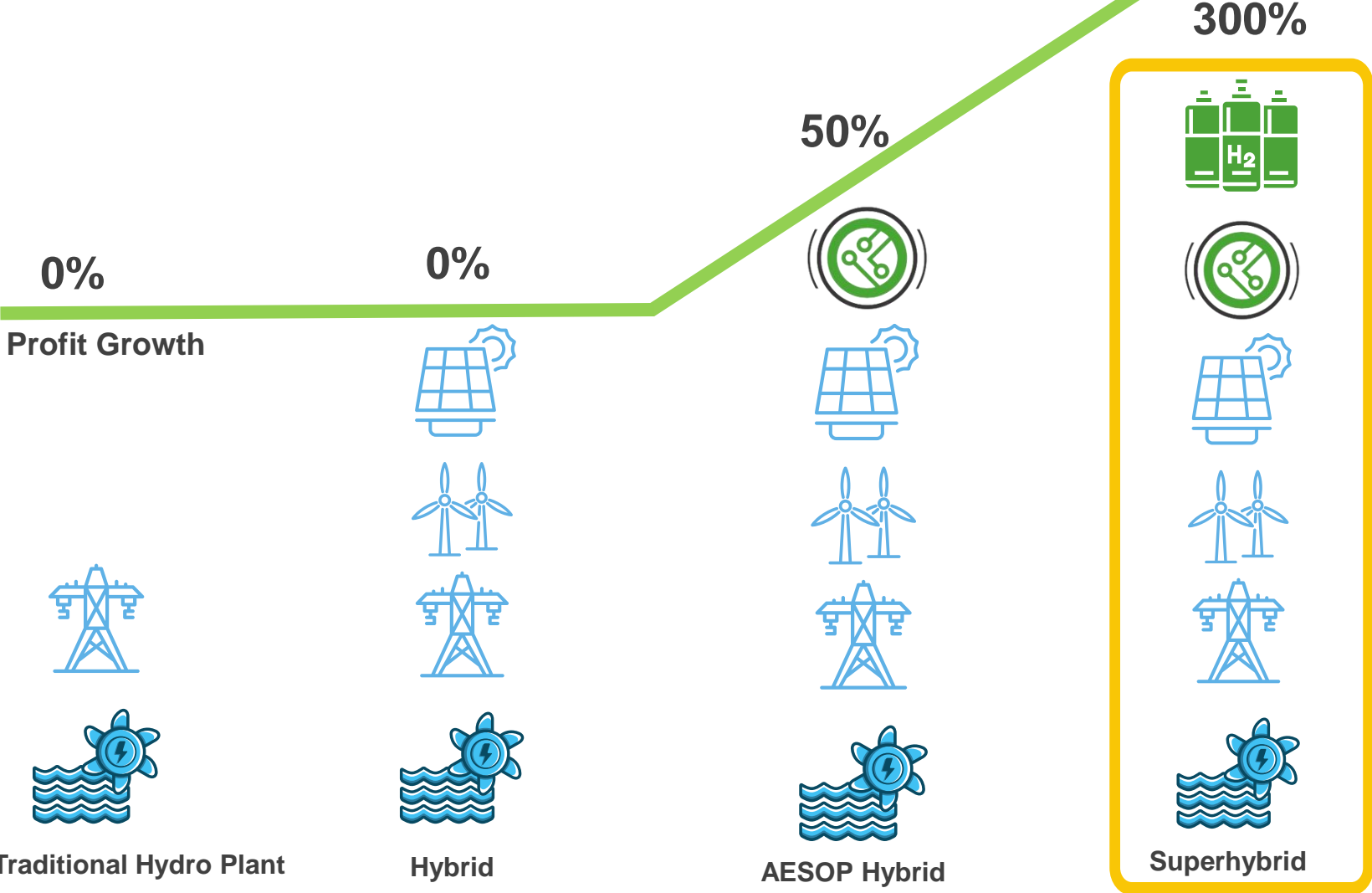
Liquefaction (Converting hydrogen gas to liquid)



Superhybrid Revenue Streams



The Evolution of Pumped Hydro





SH Current Projects



Onsite at the Flavian Project QLD



International

- 100 superhybrid projects
- Americas, Asia and Europe.
- Assessing potential projects in Sri Lanka, Scotland and Canada.

Australia

Assessing 26 projects in Australia. Flagship project is the Flavian Project in QLD.



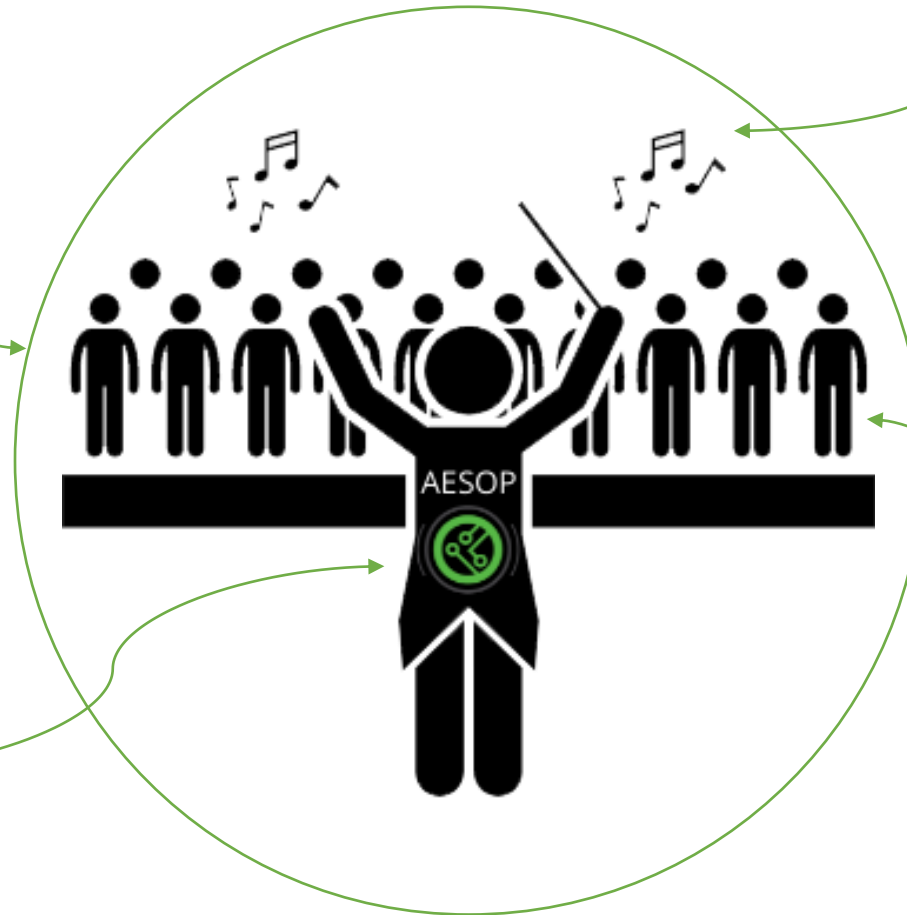
The Superhybrid and AESOP Analogy

The Superhybrid is the entire orchestra

Firm green energy and green hydrogen produced 24/7 is the output, ie the music

AESOP is the conductor

Renewable technologies are the individual musicians



Live Simulation

<https://aesop.sunhydro.au/beta/6306d65804eaa5c36865602c>

Investment Opportunity 1

Investment in Sunshine Hydro's "A Round" Investment Program - Recently presented to the market.

Instrument Type - Ordinary Class A Shares

Investment Amount - \$65,000,000 (sixty-five million dollars)

Investment Valuation - Price per share = \$AU210; Pre-money \$74M; Post-money \$139M.

Application of Funds - The investor will subscribe for Shares in SH.

Use of Funds:

Source / Use of Funds	Source \$	Use \$
Capital raise	65,000,000	
Uses of Funds		
1/ Team Expansion and Business Development Costs		12,000,000
2/ Site identification and site acquisition Costs		18,000,000
3/ Project Development Costs		
• Including consultancy costs, engineering, community engagement and securement of land rights.		35,000,000
Total	65,000,000	65,000,000

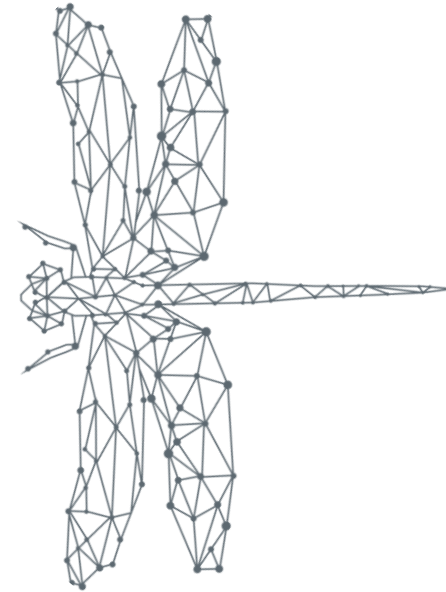
Investment Opportunity 2

Investment in Sunshine Hydro via participation in a current Convertible Note offer (up to \$5M)

- Restricted to professional, sophisticated and experienced investors.
- Share Conversion Price = \$AU147 per Convertible Note

Key Terms - as below:

- Coupon Rate - 8% per annum
- Offer to Purchase - Sunshine Hydro has the option prior to Maturity Date to pay the note holder the principle, interest and a 15% bonus to cancel the Convertible Note.
- Conversion - On the Maturity Date provided the Option to Purchase has not been completed, the principle and all the interest on the convertible notes will convert to ordinary shares based on the conversion price.
- Maturity Date - 12 Months from the issue date.
- Use of Funds - The proceeds will be used to fund working capital requirements
- Minimum Investment - \$100,000



Thank you

