

Galp invests \$5 million in Verdagy's green hydrogen ground-breaking technology

- **\$73 million funding round enables the US company to accelerate launch of electrolyser module with potential to achieve industry's lowest cost and leading efficiency.**
- **Investment in Verdagy will bring important technological expertise to the projects that Galp is planning in several areas.**

Galp has decided to invest \$5 million in Verdagy, a US company that is developing a pioneering scalable electrolysis technology for industrial applications targeting lower cost and critical raw material dependency compared to current electrolysis technologies.

Galp's investment came as part of a funding round through which the Moss Landing, California-based company raised a total of \$73 million from strategic investors led by Temasek and Shell Ventures. It will use the proceeds to accelerate the launch and commercialization of its eDynamic® 20 MW electrolyser module, the critical building block for systems of 200 MW and above.

Verdagy intends to focus on customers in energy-intensive industries such as oil and gas, ammonia, or steel and e-fuels, thus supporting the decarbonization of global industry. Galp's participation in this financing round comes in the context of the strong investments the company is making in renewable energy and in Green Hydrogen (Green H₂).

"We believe that the electrolysis technology developed by Verdagy has the potential to become a leader in the coming years and help Galp realize its goals in the production of Green H₂. This partnership reinforces our commitment to low-carbon businesses, contributing to the reduction of emissions not only from our activities, but also from those of our customers," says Georgios Papadimitriou, Galp's executive director in charge of Renewables, New Business, and Innovation.

"By leveraging our patented technology, Verdagy has dramatically lowered the Capex of an electrolyser," said Verdagy CEO Marty Neese, who brings decades of executive experience across companies like SunPower and Ballard. "We have shown that our core technology works and Verdagy is ready to scale globally."

This is Galp's second Corporate Venture Capital direct investment, after committing \$5 million to Boston-based 6K, which developed a cutting-edge technology to manufacture sustainable and low-cost lithium-ion battery materials.

Galp's strategy for Green H₂ foresees, in a first phase, replacing the more than 70 ktpa of grey hydrogen consumed in the Sines refinery, which are currently extracted from natural gas molecules, by green hydrogen produced by electrolysis powered by renewable electricity.

In parallel, Galp is also assessing the production of e-fuels, methanol, and ammonia – which can be synthesized using green H₂, providing alternative low-carbon fuels – and is evaluating the use of hydrogen as a fuel for mobility.

PRESS RELEASE

Lisbon, August 8th, 2023



About Galp

Galp is an energy company committed to developing efficient and sustainable solutions in its operations and in the integrated offers it provides to its customers. We create simple, flexible, and competitive solutions for the energy or mobility needs of both large industries and small and medium-sized enterprises, as well as the individual consumer. Our offer includes various forms of energy – from electricity produced with renewable sources to natural gas and liquid fuels. As a producer, we extract oil and natural gas from reservoirs located kilometers below the sea surface, and we are also one of the main Iberian producers of solar-based electricity. We contribute to the economic development of the 10 countries in which we operate and to the social progress of our host communities. We are, therefore, leaders in our sector in the main global sustainability indices. Galp directly employs 6,715 people. More information at www.galp.com.

About Verdagy

Verdagy is innovating water electrolysis technology for the large-scale production of green hydrogen. Its industry-leading solution reduces both upfront capital costs and ongoing operating expenses, to achieve the industry's lowest levelized cost of hydrogen. Verdagy operates its laboratory and highly automated commercial pilot plants in Moss Landing, California where it continues to advance its cutting-edge technology. For more information, visit: www.verdagy.com