

Hydrogen

Financial risks of investments in large scale hydrogen production?

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Everyone talks about hydrogen, however there are still challenges to overcome



ENABLING: The underlying principle of all our offerings:
Risk transfer enabling entrepreneurs to invest in green tech

Trillions of USD
invested in new
green technologies



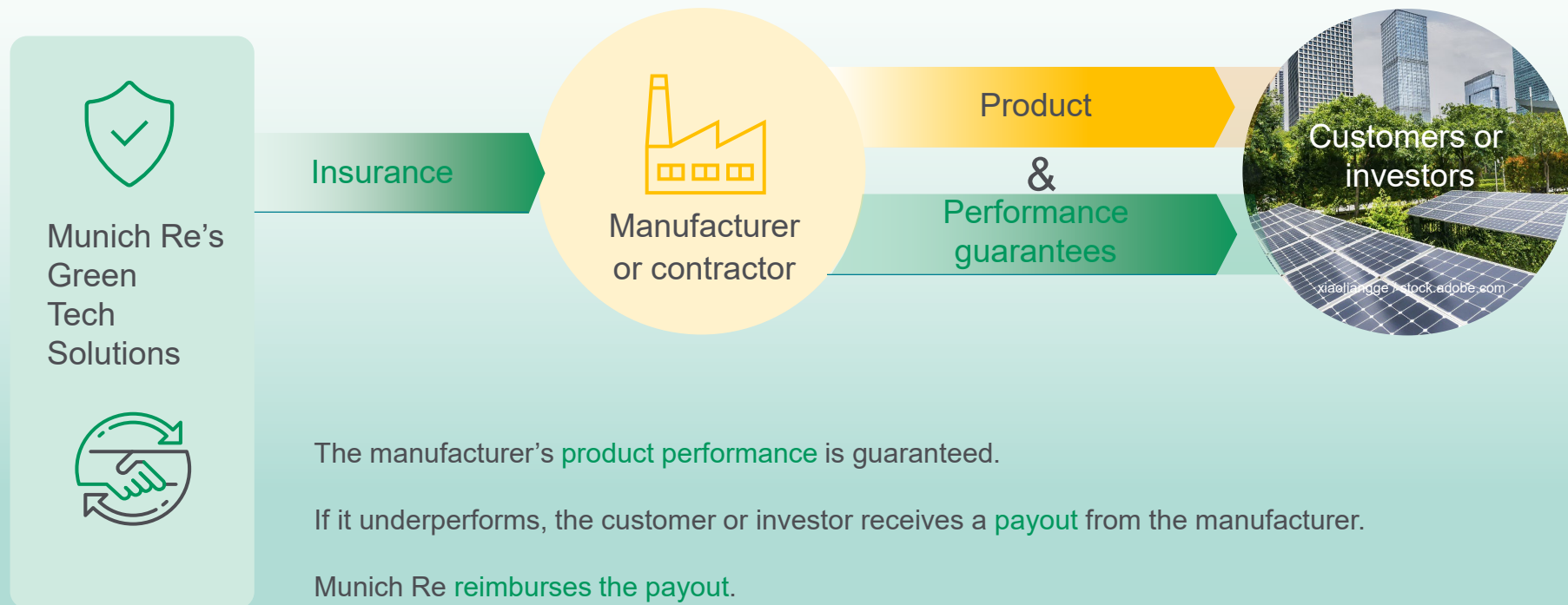
Decision Makers

But:

What is the risk of the
new technologies
not performing?

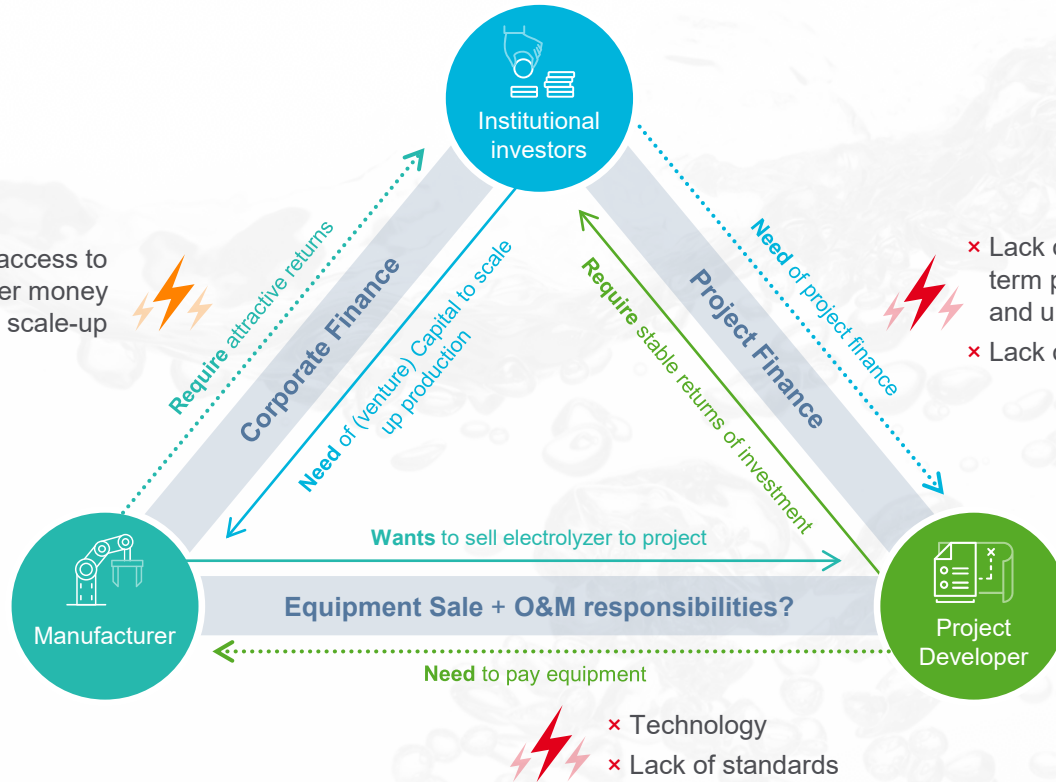
This perceived uncertainty could make an investment case
unviable for the decision makers

Our insurance helps manufacturers to boost sales and secures financiers' investments.



Uncertain and unproven technologies seems to cause an endless viscous circle

No broad capital market access to institutional and cheaper money needed for massive scale-up



- × Lack of experience data on long-term performance of technology and uncertainty of risks
- × Lack of offtake agreements

Specific risks and challenges arise for all stakeholders for innovative technologies

Reliability

Component failures

Long-term performance

Capacity degradation, technical failures, unplanned downtimes & maintenance

Supplier/matrix manufacturer solvency

Warranty fulfillment

Manufacturers

Market demand for long-term performance warranties

Uncertain nature of long-term warranties, hence requirement of high reserves and decreased liquidity & financial flexibility

Coverage gap between inward suppliers' warranties and outward customer warranties

Owners

High maintenance and repair costs, hence uncertainty in business model and revenue stream

Need of high-quality and reliable warranty insurance due to procurement requirement or tender specification

Ability to receive attractive financing terms

Investors

Technology risk undesired by debt and equity providers

Preference of stable and bankable projects

Uncertainty of warranty fulfillment in case of manufacturer insolvency

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Live



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World Hydrogen Congress
(Rotterdam 11.-13.10.2022)

On-Demand

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*A Contribution To The Success
Of The Green Hydrogen Industry*

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<https://www.munichre.com/en/risks/renewable-energy-and-energy-efficiency.html>