

## Hydrogen: Far from Mature from Investor's Point of View

*Düsseldorf, 25 May 2021 – Hydrogen could be the energy carrier of the future. A lot of money is currently flowing into technical feasibility studies, studies, and research projects. “But a new energy carrier will only really get a boost when private money supplements state funding”, says Markus W. Voigt, CEO of the aream Group. “But at present, hydrogen cannot yet be packaged into profitable business models.”*

Thus, many questions are still unresolved. In addition to generation and the question of where the green electricity for desired green hydrogen should come from, this is above all the transport issue. “If hydrogen is produced locally and consumed right away, it is already a useful addition to the energy mix”, says Voigt. “For large industrial companies, for example, which can adapt their production to CO<sub>2</sub> avoidance targets in this way.” However, it still has to be taken into account that the use of green hydrogen is not profitable in terms of lower costs. “It can be worthwhile for companies, however, because they can use it to improve their carbon footprint or even save on the purchase of CO<sub>2</sub> certificates”, Voigt says.

But to attract money from private investors on a larger scale, such solutions are not interesting. “We saw with wind power and photovoltaics what momentum came into the expansion when it became interesting as an investment vehicle”, Voigt says. From 1,000-roof programs to 100,000-roof targets to feed-in tariffs: “The state provided very targeted support, and research was ramped up in parallel”, Voigt says. Then private and also institutional investors got in on the act. Soon, more money was flowing from the private sector than from the state. “In the meantime, subsidies are no longer necessary; a real success story has been written here.”

Repeating history will be more difficult with hydrogen. “That’s because of the still early stage of development and the strong social pressure”, says Voigt. “To meet climate targets, hydrogen simply doesn’t have the time that solar and wind power got.” Here, everything has to happen faster, the technological development as well as the implementation in concrete projects. “And profitability also has to ramp up much faster if it’s going to be a success”, Voigt says.

Germany is currently among the leaders in technological development. “Nevertheless, we estimate the hydrogen time in Germany at seven to ten years”, Voigt says. After that, production will shift to other regions, where large-scale photovoltaic systems, for example, can be used much more efficiently. “For this, it is necessary to clarify the transport issue”, says Voigt.

Investments in hydrogen will therefore flow less into plants in Germany and more into those in other regions. “We are sure that there will be profitable business models here, including around a new hydrogen economy”, Voigt says. That could be building more ClimateTech companies that create efficiencies in the value chain, or even in the necessary infrastructure. “Germany will be more of a hydrogen consumer, similar to oil”, Voigt says. “But both for achieving climate goals and for investments, these are good prospects.”

For more information: [www.arem.de](http://www.arem.de)



### **About aream**

The aream group is a fully integrated investment and asset manager for institutional investors with a focus on renewable energies. With a transaction volume of around 1.5 billion euros and a managed investment volume of around one billion euros, aream has been providing the full range of asset management services for 15 years, thereby ensuring the commercial and technical optimization of assets. Comprehensive services enable the implementation of the investments from the planning and construction phase to operation in accordance with the investors' specifications. As a signatory to the UN Principles for Responsible Investment (UN PRI), aream actively incorporates ESG issues into its investment analysis.

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