INTERVIEW Proton Motor CEO
Dr. Francois Faiz Nahab

1. **How do you rate the current state of the energy transition?**

The energy turnaround is central to a secure, environmentally compatible and economically successful future. To this end, Germany's energy supply is being fundamentally converted: away from nuclear and fossil fuels, towards renewable energies and more energy efficiency. Now almost 43 percent of the electricity comes from wind, sun, water or biomass. Renewable energies are a very important source of electricity in Germany. We see our corporate strategy in the development and production of fuel cells. The technology, which bases on the key energy source hydrogen, encourages us on the way to green energy, practical climate protection and as an instrument to achieve international climate goals.

2. ***If you as the Minister of Energy were politically responsible for the energy turnaround, which levers would you turn?***

There are clear goals for all areas of the energy transition – electricity, heating and transport. The energy supply is to be increasingly converted to renewable energies. And energy should be used more efficiently. The electricity market has already been made fit for renewable energies. Reforms made directly by the electricity provider to the consumer would be welcome. All measures that benefit the building industry in the context of alternative electricity generation or support energy self-sufficiency are to be welcomed. Last but not least, as a German-English brand with our listed holding company, which is located in Great Britain, in Brexit times we would of course also benefit from the even stronger integration into the European internal market and from tenders from EU funding programs benefit from current tenders from EU funding programs after the "Green Deal" of July 8, 2020.

3. **How do you see the energy industry in general after the Corona pandemic with regard to the economy and society in particular?**

As a result of the June 3, 2020, the coalition committee of the German federal government presented the economic stimulus package "Fighting Corona consequences, securing prosperity, strengthening future viability". This contains the key points under paragraphs 36 and 37, particularly for the development of a hydrogen economy in Germany. Subordinate to this, the "National Hydrogen Strategy" was officially adopted on June 10, 2020 by the Bundestag, in which Germany should play a worldwide pioneering role in hydrogen. The program for the development of hydrogen production plants has also been decided. Large plants with a total output of 5 GW will be funded until 2030 and beyond until 2040.

The regulatory basis for setting up a hydrogen infrastructure is being implemented quickly. The hydrogen filling station network for heavy trucks is to be expanded and a European hydrogen company to be examined. Finally, the purchase or scrapping premium for electric cars also increased the attractiveness of emission-free driving in connection with the reduction of VAT in Germany.

4. **What are the main challenges facing your customers today and what are the respective backgrounds?**

Our origins and our work are based on the manufacturing concept. Therefore, the USP of engineering quality includes tailor-made order processing. Because we do not offer off-the-shelf hydrogen fuel cells products, we can respond to customer requests and requirements in a highly flexible, individual and dynamic manner. Our customers very often act in a project network with other actors, for whom Proton Motor has proven to be an accomplished team player in the joint order processing in recent years. In any case, there were several follow-up orders because the collaboration was rated as highly effective.

5. **What are the three most important showcase projects with which you (want to) inspire and convince your customers?**

As a Bavarian hydrogen fuel cell manufacturer with over 25 years of development experience, we are very proud to have been a partner for the implementation of the first European grid-connected hydrogen power plant in Rostock-Laage, which has already been presented to the media public. A stationary fuel cell system in this dimension is also one of our exceptional large-scale projects. Proton Motor was able to prove the successful order processing and timely delivery to the APEX Group even under corona difficulties. In the mobility sector, we are integrated as a member of a number of consortia that specialises in ordering logistics and municipal vehicles. These include e-city buses and e-waste collection vehicles.

The latter are used as prototypes in several major cities. We see a strongly increasing demand for this in the coming years. As a main message, we would like to state that Proton Motor is active in almost all mobility sectors. In addition to rail applications, we are increasingly receiving requests from the maritime segment.

6. **What is the basis of your company`s unique selling proposition on the market? How do you want to preserve or expand this?**

Proton Motor is positioned as a developer and manufacturer of hydrogen fuel cell stacks and complete systems in the European B-to-B markets. Our brand products have the unique international feature that they can be installed in two ways – horizontally and vertically. Some of the components and overall solutions are designed with suppliers, with software programming and control being carried out by Proton Motor. There is a clearly defined development roadmap for this decade, which also specifies the transition from the production of medium quantities to series production. This step is to be implemented in co-operation with licensees and through joint ventures.

7. What specific market changes are you currently preparing for?

The steadily increasing number of inquiries reflects the broad market environment for our hydrogen fuel cell solutions "Made in Germany", which is generated from the areas of stationary, automotive, rail and maritime. As reported above, there is a trend towards customer-specific solutions. We can also see an increasing demand for shorter development and delivery times as well as higher quantities in the future.

8. Which key figures / orientation values are the best indicators of market changes? How is your business model changing?

The market mechanisms depend on a large number of parameters. The hydrogen issue becomes socially acceptable through political committees, even though Germany has a catching up to do compared to other (e.g. Scandinavian) countries. Industrial or lobby networks or associations prepare the decarbonization for the public. Media launches ensure that information and dissemination opportunities are still very important, so that "hydrogen as the answer to the future" is established in people's minds. Specifically, our business development can be seen from the continuously increasing number of inquiries and the resulting contracts. In fact, the market value of the "Proton Power Systems" – PPS – share, which is published by the English parent company "Proton Motor Power Systems plc", reacts as a barometer to all fuel cell projects of the operative company subsidiary in Bavaria.

The continuing focus on our core competence – i.e. on fuel cells and hybrid systems – is a priority. Joint ventures, co-operations and partnerships are to be concluded for complete solutions. The decision for the stronger automation of manufacturing and assembly processes is on the Proton Motor agenda as well as the factor of value creation optimisation.

9. Where do you see particular need for action to be even better positioned in the market?

Proton Motor will continue to remain open to the outside world in the dialogue for new partnerships, which in a certain mode form the basis for the license production of systems in large quantities. Internally, we are expanding the Marketing and Public Relations departments. The communicative tools include the gradual expansion of investor relations.

With regard to the increased market demand, we have already been able to hire valuable new employees for various company areas. Our strategy pursues the expansion of capacities and resources in development, production, service / maintenance. The build-up of warehousing helps to shorten delivery times. To expand production capacities for industrialisation and serialisation, there will be a new additional company site in Fuerstenfeldbruck, 12 kilometers from the headquarters in Puchheim, which is scheduled to go into operation in 2024 according to preliminary planning.

10. What specific topics and technology developments are you currently dealing with?

From a political perspective, we need to move even more levers to benefit from substantial support for renewable energies at the federal and EU levels. The general increase in performance densities within the product portfolio is a matter of course for us. Successful quality management and cost reduction are tracked just as much as the extension of the service life including the environmentally friendly usability of the Proton Motor fuel cells.

11. What are the principles according to which you run your company / division? How do you encourage your employees?

Our employees are highly motivated to participate in shaping the future in order to leave a world worth living for their children and grandchildren. The self-determined Proton Motor working atmosphere and the respectful interaction with each other invite you to actively contribute with creative ideas. The joy of high-tech development paired with a friendly understanding of the team are in the truest sense of the word "motor" for the best possible motivation. We also have implemented a company participation model in the future through employee shares.

12. What was your most important career step and why?

After finishing Ph.D. at university, I continued to work employment for three more years, before moving on to start my own company. Since then I have developed four more successful companies.

13. When you look back, which professional decisions are you particulary proud of?

I am proud of all my professional decisions and successes. Proton Motor gives me more incentive as it serves the world as well as being a business venture.

14. What was your biggest professional mistake and what did you learn from it?

I do not remember major professional mistakes, even my marriage was a success.

15. How do you privately recharge your energy reserves in order to continue to be successful in your job?

I spend most of my time dealing with my companies. That time is left is for walking, exercising, watching rugby and football and motivating my grandchildren to achieve high education with the hope they take my companies to further success.

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