Horisont Energi | Company presentation

January 2021

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Objective: A top-tier European carbon tech company

1 First to market with world scale blue ammonia

- Deliver cost-competitive clean ammonia to the global market
- Become the preferred supplier of clean ammonia in Northern Europe

2 The carbon storage cost leader

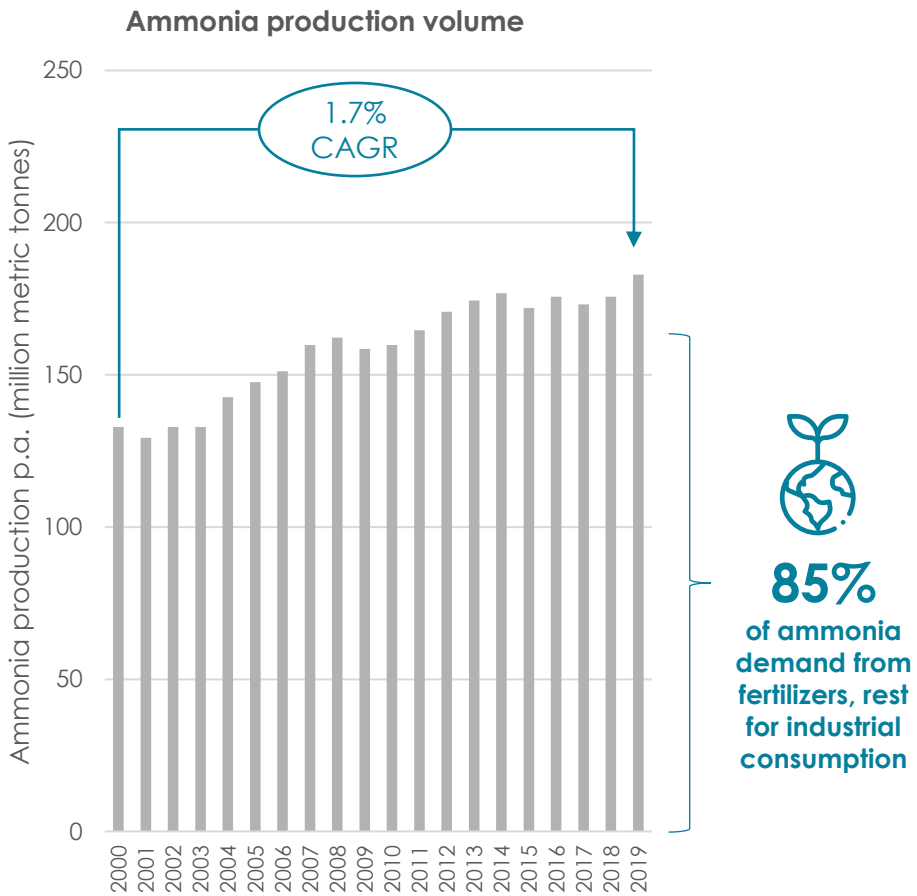
- Europe's preferred carbon storage provider
- Europe's leading carbon storage asset developer

Agenda

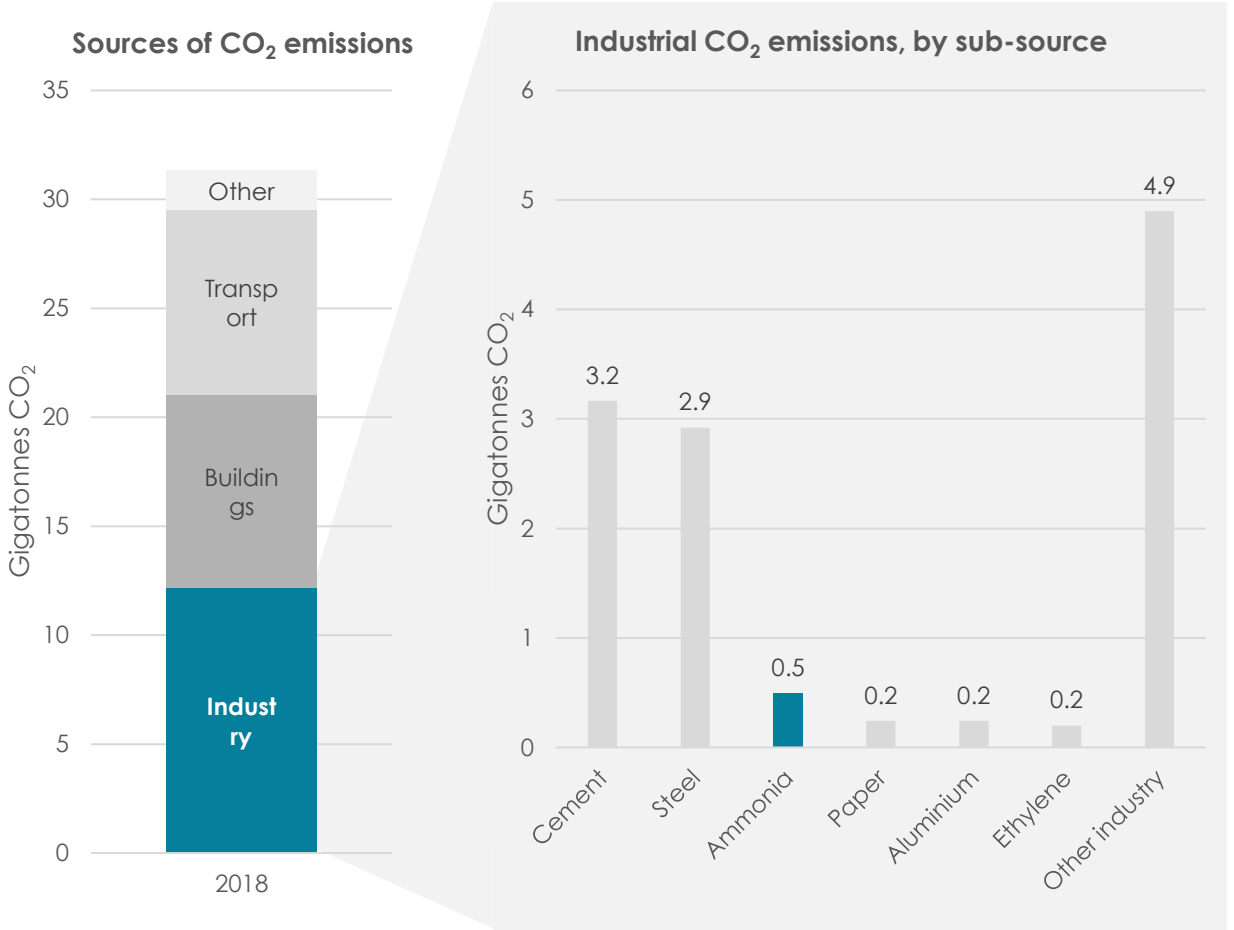
- **Market opportunity**
- Project overview
- Management team
- Economics
- Appendices

Critical to decarbonize ammonia production

Critical market growing steadily



Large source of CO_2 emissions globally



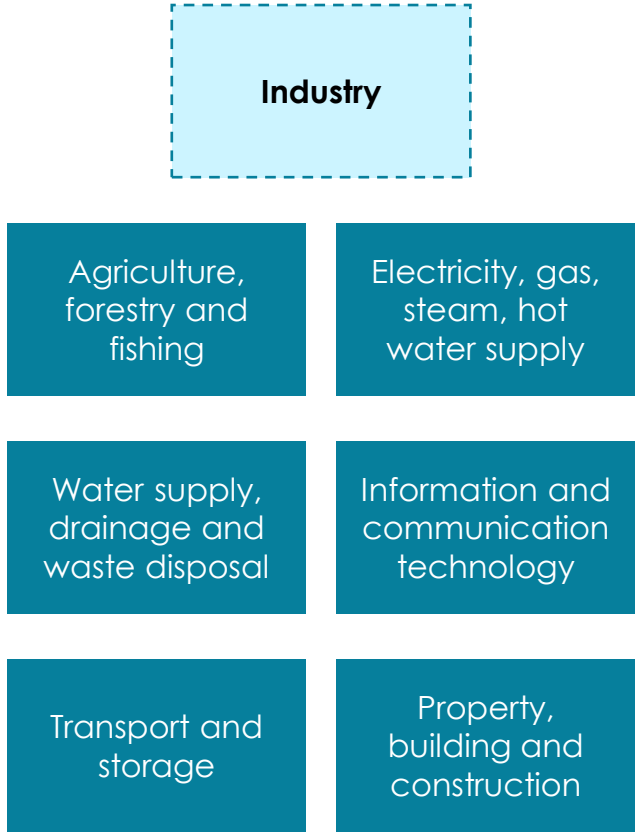
Source: U.S. Geological Survey: Mineral Commodity Summaries 2002-2020, Yara Fertilizer Handbook 2018, IEA, McKinsey & Company
Notes: Emissions include indirect emissions from electricity and heat production. Fertilizers' share of ammonia demand from 2017 (according to Yara Fertilizer Handbook 2018)

Horisont Energi: Aligned with EU's new taxonomy

The six environmental goals

1. Limiting climate change
2. Climate adaptation
3. Sustainable use and protection of water and marine resources
4. Conversion to circular economy
5. Prevention and control of pollution
6. Protection and restoration of biological diversity and ecosystems

Specific technical screening-criteria in the EU Taxonomy

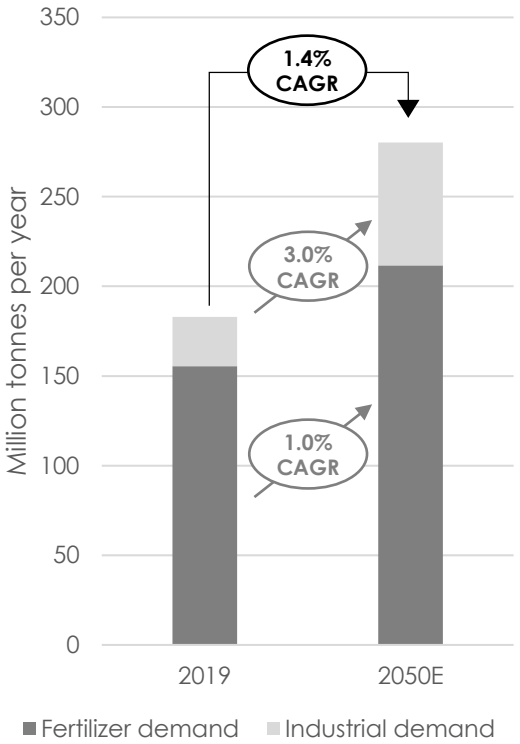


- **Horisont Energi is committed to comply with at least one of the EU goals and will report on sustainability according to the category "Industry" from 2021**
- **Horisont Energi will produce ammonia within the specified limit of CO_2 emissions per metric tons of ammonia produced as relevant in the final edition of the taxonomy**

Source: Taxonomy - Final report of the Technical Expert Group on Sustainable Finance (March 2020)

Strong demand growth for (clean) ammonia

Current verticals: Fertilizer and industry



+97m

tonnes of new ammonia demand from current demand segments by 2050

Emerging verticals: Fuel and power

Marine fuel

Ammonia considered a highly viable alternative fuel for maritime transport, with DNV-GL expecting its share of the fuel consumption to reach 30-60% of the total by 2050

+150m

tonnes of new ammonia demand from marine fuel by 2050

Power sector

Countries reliant on imported fossil fuels for power production see ammonia as a high-potential alternative. Japan alone could demand 30m tonnes of ammonia to supply only 10% of its power needs. The ambition is 100% carbon free power production.

+30m

tonnes of new ammonia demand from Japanese power sector. Other countries may also make a similar transition.

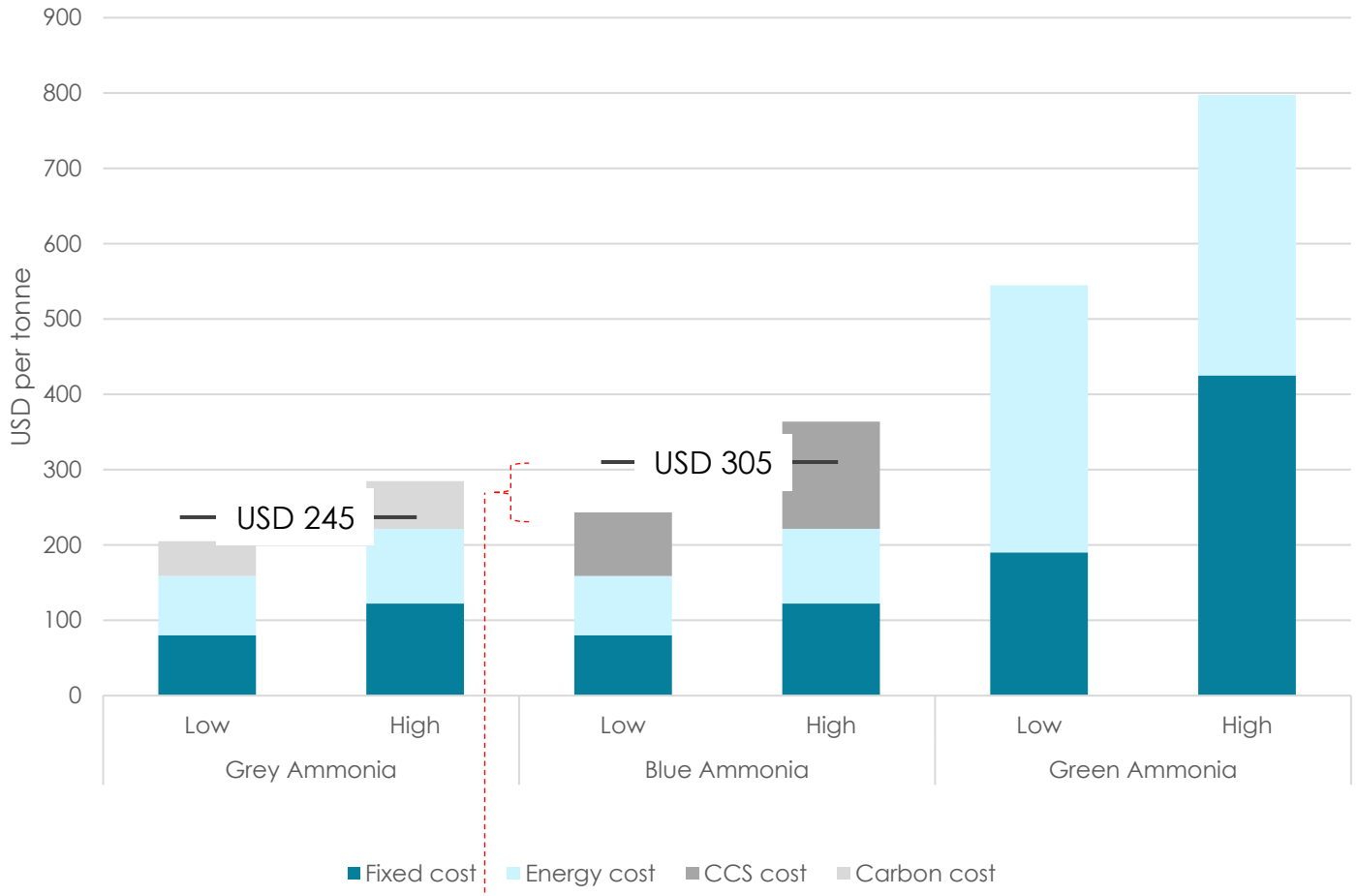
Established markets with critical need for de-carbonization

New markets with substantial growth potential

Source: U.S. Geological Survey: Mineral Commodity Summaries 2002-2020, Yara Fertilizer Handbook 2018, DNV-GL: Maritime Forecast to 2050, Institute of Energy Economics Japan,
Notes: Assumes ammonia production growth in line with historical average, with 15% of total demand coming from industrial sector in 2019. Marine fuel demand assumes 30% of fuel mix in 2050 is from ammonia.

How can carbon-free compete?

Ammonia production cost benchmark



The challenge: How to close the 60 USD/ton cost gap between dirty and clean (blue) ammonia?

Comments

- Two types of ammonia offer clean production without CO_2 emissions; Blue and Green.
- Green ammonia is more challenging in order to compete on cost with blue ammonia
- Key question; How to make Blue ammonia cost competitive compared to Grey ammonia?

Source: Argus Media, Haldor Topsøe, Alfa Laval, Hafnia, Siemens Gamesa, Vestas, Yara International, ICE, Nord Pool
Notes: Fixed costs include capital cost assuming a 25-year economic life. Based on year-to-date average prices of ETS carbon credits (EUR 24/tonne CO_2), electricity prices in Continental Europe (EUR 30/MWh), natural gas at (USD 2.8/MMBtu). Assumes carbon capture cost of USD 60/tonne CO_2 and liquefaction, transport, and storage cost of USD 37.5/tonne CO_2. Assumes USD/EUR of 1.20.

Agenda

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Horisont Energi has a breakthrough solution

Project Barents Blue - The First World Scale Blue Ammonia project

1 Access to low-cost gas feedstock

- Gas 80% of ammonia cost, ex CCS
- Barents gas abundant and high transport cost to continent*

30-45 USD/ton
cost reduction from access to low cost gas feedstock

+

2 Economy of scale zero-emission ammonia production

- Smart selection and integration of technologies at large-scale, giving energy efficient carbon capture and hydrogen production

30-40 USD/ton
cost reduction from benefits of scale and lower energy usage

+

3 Proprietary carbon storage

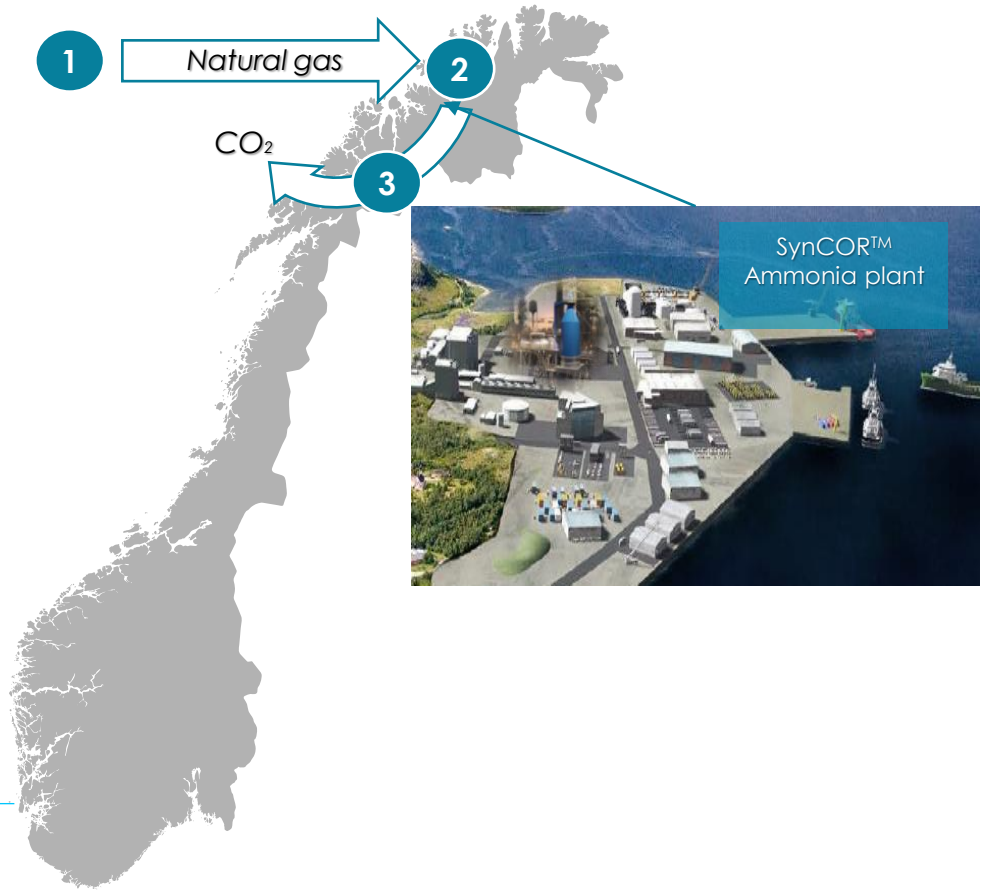
- Horisont Energi has a proprietary concept for storing CO_2, giving **10-25 USD/ton** ammonia cost reduction compared to benchmark

10-25 USD/ton
cost reduction from proprietary, scaled down, subsurface CCS concept

SUM Cost competitive value chain

- Horisont Energi's technology and value chain will provide a total cost reduction sufficient to compete with grey ammonia

55-90 USD/ton**
cost reduction throughout value chain

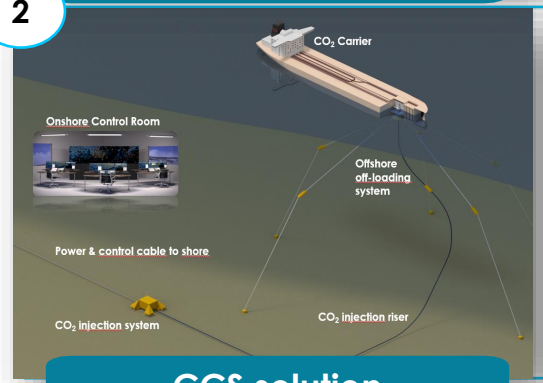


Source: Horisont Energi
Notes: (*) The cost to transport natural gas from Barents Sea to the European continent is estimated at USD 1.7-2.3 per MMBtu. **(**) Net cost reduction after adding ammonia transport cost of 15-20 USD/ton**

Clear path to cash flow

Final Investment Decision (FID) △

	Concept phase	FEED phase	Construction	Operational
1 Onshore plant	Q1-Q3 2021	Q3-Q2 2021-22 △	Q2-Q4 2022-24	Q4 2024
2 CCS solution	Q1-Q4 2021	Q4-Q3 2021-22 △	Q3-Q4 2022-24	Q4 2024



Fully funded following private placement

Low counterparty risk provides access to lease financing of onshore plant at attractive terms

Source: Horisont Energi

Large scale onshore ammonia production system

Autothermal reformer

Comments

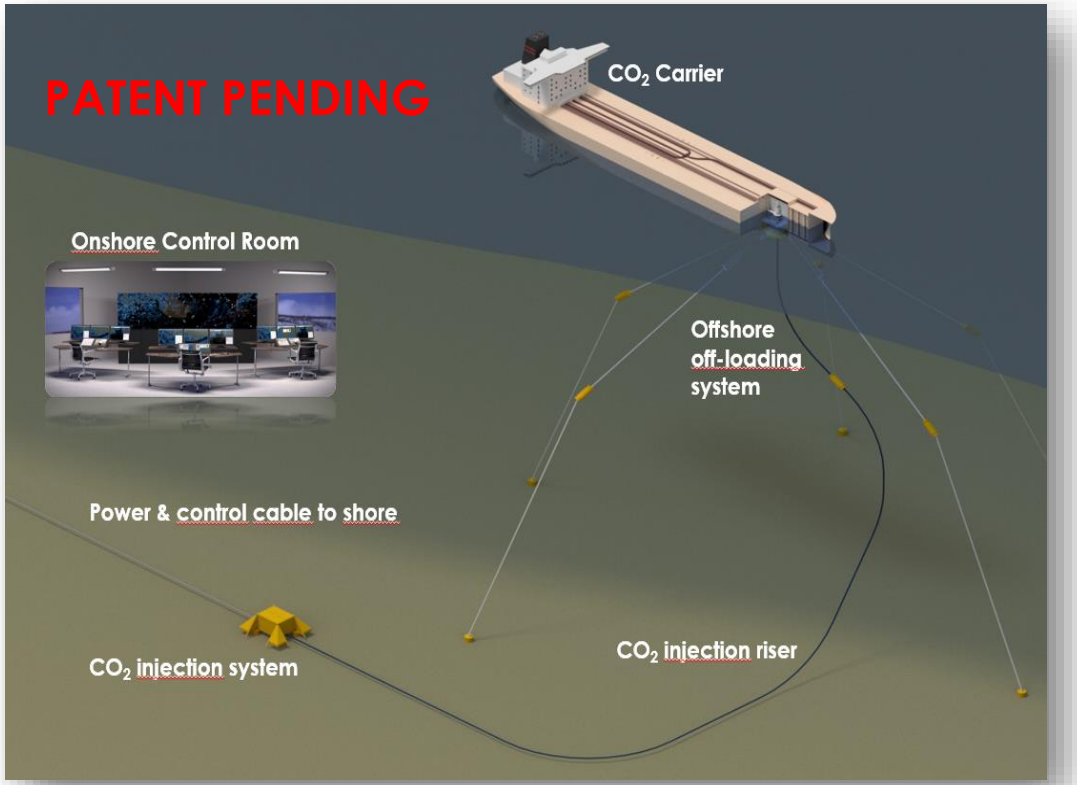
- **Proven and competitive** ammonia production technology (SynCOR™) developed by Haldor Topsøe
- Production process based around an **autothermal reformer**, requiring limited staffing whilst allowing for automation and remote operation/monitoring
- Higher energy efficiency, economy of scale effects and degree of process automation **reduce OPEX by up to USD 30-40 per tonne of ammonia compared to existing, conventional production processes**

Significantly lower CAPEX and OPEX per tonne of ammonia compared to conventional production processes

Source: Haldor Topsøe
Note: The Company's right to use, commercialize and develop SynCOR is subject to final agreement between the Company and Haldor Topsøe

First pure CCS company offshore Norway

CCS concept description



Comments

- Expect to be the **lowest CO_2 storage cost** in the market
- **Scalable, energy efficient and flexible**
- **Additional value** from large-scale, long-term **CO_2 storage assets**
- Proof of concept:
  - Signed MoU with a **major European energy company** on the ambition of realising a joint European CCS business
  - Furthermore, **Equinor** has signed an MoU indicating to become partner in the Barents Blue project

Proprietary carbon transportation and storage technology allowing for development of profitable CCS projects without government support schemes.

Source: Horisont Energi AS

Ready to build with established partners…

	Permitting & FEED	Finance	Construction	Operation
Ammonia plant	Hammerfest kommune / Hámmerfeastta suohkan; Nordkapp kommune • 3 onshore sites being evaluated • All sites are regulated for industrial operations and suited for planned facilities • In close dialogue with local municipalities	Infrastructure Fund • Currently in advanced talks with 6 infrastructure funds willing and motivated to fund the onshore CAPEX • Infrastructure fund to also provide support to project development funding	HALDOR TOPSØE; SAIPEM; TechnipFMC • Key technology and service by Haldor Topsøe • Modularized plant built offsite, to be assembled in Finnmark • EPC contract planned with contractors like Saipem, Technip Energies and others • In advanced talks with major suppliers on air separation unit	equinor; HALDOR TOPSØE; ASCO • ASCO to operate onshore base facilities and be technical service provider to processing plant • Haldor Topsøe to provide expert service support, plant optimization and maintenance support • Major supplier to operate air separation unit
Carbon storage license	Horisont energi; equinor • Identified CO_2 storage • Storage studies on-going • CO_2 application in process, to be filed early 2021	Horisont energi; equinor • Funded for concept and FEED studies until FID, and approval of permanent CO_2 storage • Financing of CCS CapEx with equity and loan	ALCATEL SUBMARINE NETWORKS; Knutsen Group • Alcatel Submarine Networks to supply power cable from shore • Knutsen OAS Shipping to supply CO_2 carriers • Subsea EPC company to provide subsea systems	Horisont energi; Knutsen Group • Horisont Energi planning to operate the offshore CO_2 storage • Knutsen OAS Shipping to provide CO_2 carriers • Control room and ROV operations center onshore

Source: Horisont Energi
Note: Contracts with partners indicated above are subject to final agreement

…and enthusiastic local and national Gov't

Local support

- Vil gi lokale arbeidsplasser

Nordkapp kommune bør etter kommunedirektørens syn støtte opp om dette initiativet til ASCO Norge og inngå intensjonsavtale. En realisering vil både generere lokale arbeidsplasser, store verdier og bidra i retning av «det grønne skiftet» selvom det blir delvis blått, skriver kommunedirektøren i sakspapirene til Formannskapet.

FP - RANDI IREN OLSEN
Rio@finnmarksposten.no

Det er i første omgang tale om en intensjonsavtale som ikke gir kommunen veldig store forpliktelser. Samtidig er det *mulig å gjennomføre i henhold til plan. Saken fremmes i denne omgangen for formannskapet. Dersom det senere inngås avtaler med mere konkrete forpliktelser kan saken måtte løftes videre til kommunestyret* skriver kommunedirektøren i sin saksutredning til Formannskapet. Saken skal behandles den 19. oktober.

ASCO Norges motiv for å inngå en intensjonsavtale er å være sikker på at man vil ha anledning til å gjennomføre et prosjekt dersom forundersøkelsene leder til konklusjonen at prosjektet bør realiseres. Undersøkelsene vil her i hovedsak være leting etter kommersielle gassressurser offshore. Kommunedirektøren anser for Nordkapp kommune sin side den potensielle etablering av svært lønnsomme arbeidsplasser i kommunen som samtidig vil være et viktig steg i retning av et lavutslippssamfunn og økt elektrifisering av transportsektoren som tilstrekkelig motivasjon til å inngå en intensjonsavtale. Samtidig vil ikke inngåelse av en intensjonsavtale slik den fremstår i vedlagte utkast binde opp areal i mer *enn 48 måneder. Kommunen skal ikke risikere å sitte med et «låst» industriområde i flere år.*

Anbefaler å støtte dette

Nordkapp kommune bør etter kommunedirektørens syn støtte opp om dette initiativet til ASCO Norge og inngå intensjonsavtale. En realisering vil både generere lokale arbeidsplasser, store verdier og bidra i retning av «det grønne skiftet» hindre et for olje eller omvendt. Det virker derfor sannsynlig at det i kommuneplanens arealdel avsatte sjørettede området i Skipsfjorden til næring er det mest opplagte arealet til et hydrogeninitiativ basert på naturgass.

- 1. Avtalens bakgrunn og hensikt: Partene er i kontakt med hverandre med sikte på å komme frem til en eller flere endelige og bindende avtaler om et samarbeid innen intensjonsavtalens område, slik dette er nærmere angitt i pkt. 2 nedenfor. Gjennom denne intensjonsavtale bekrefter de at de har til hensikt, gjennom undersøkelser og forhandlinger, å komme frem til en endelig avtale som nevnt. Denne intensjonsavtalen regulerer forholdet mellom partene enten frem til ny avtale inngås eller frem til denne intensjonsavtalen opphører uten at ny avtale inngås.

- 2. Intensjonsavtalens område: Intensjonsavtalen gjelder et samarbeide knyttet til leie eller oppkjøp av områder i Nordkapp kommune for utvikling av grønn industripark med utgangspunkt i produksjon av hydrogen fra naturgass med karbonfangst og lagring. Det enes om at man skal se på flere områder og jobbe fram den best mulige løsningen for prosjektet. ASCO Norge AS sammen med sine partnere ser behovet for et område på ca. 100 mål i et

ANBEFALER: *Stig Kjærvik, kommunedirektør i Nordkapp kommune.*
FOTO: LARS- MAGNUS H. RØTTINGEN

plikter seg til å vise forsiktighet med bruk av all informasjon som de får fra den annen part som følge av gjennomføringen av denne intensjonsavtalen. Bruk av sensitiv informasjon skal avklares med avtalepartneren. Unntatt er slik informasjon som den enkelte part har fått lovlig tilgang til på annen måte, og som må ansees som offentlig informasjon eller ansees som «alment kjent».

Dette er Asco Norge AS

- ASCO Norge leverer en total og omfattende pakke med Supply mange års erfaring innen forsyningskjedestyring, materialkoordinering, lagerstyring, lasting / lossing, helikopter- og fartøyskoordinering, transport, spedisjon og tollklarering

- Fra vårt etablerte nettverk av eide forsyningsbaser i Farsund, Tananger, Sandnessjøen, Hammerfest, Kristiansund / Averøya, og gjennom felleskontrollerte virksomheter og driftsavtaler med andre baser, for eksempel i Florø og Tromsø, støtter vi operasjoner langs hele norskekysten.

- Våre hovedkunder i dag er blant andre Aker BP, Repsol

Honningsvåg havn
HØY- OG LAVVANN
Torsdag flo 02:18 og 14:54
fjære 08:39 og 20:59

- "Will provide local jobs"
- Strong local support for local, green jobs and value generation from

National support

Government.no

Topics Documents What's new Ministrie

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The Government launches 'Longship' for carbon capture and storage in Norway

The Government launches 'Longship' for carbon capture and storage in Norway

Press release | Date: 21/09/2020
| No: 132/20

- Strong national push to develop CCS infrastructure in Norway

Source: Finnmarksposten, Government.no

Agenda

- Market opportunity
- Project overview
- **Management team**
- Economics
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Who we are

- Founded in 2019 and based in Stavanger on the western coast of Norway
- Organized with competent and experienced personnel for:
  - ✓ Offshore carbon facilities developments; and
  - ✓ Onshore hydrogen and ammonia facilities development

Team with 350+ years of experience

Chief Executive Officer & Board Member

Bjørgulf H. Eidesen

- 16 years of experience from various management positions at Equinor
- MSc in Cybernetics / Control Engineering from NTNU, Trondheim, Norway

Chief Financial Officer

Dan Jarle Flølo

- 36 years of experience from Kongsberg, Exxon Norge, Elf E&P / Total E&P, Equinor, Njord Gas Infrastructure and deal advisory
- MSc Business administration and finance, Norwegian Business School, Oslo, Norway

Chief Operating Officer

Eivind Torheim

- 34 years of experience from Elf, Western Atlas, Enterprise Oil, Shell, Revus and Wintershall
- MSc Petroleum technology, University of Stavanger, Norway

Head of HSEQ and Drilling

Ellen Braune

- 38 years of experience from Hydro, Saga Petroluem, Statoil, BP, Revus and Wintershall
- BSc Chemistry and process, University of Bergen, Norway

Head of Geology & Geophysics

Morten Sola

- 30 years of experience from Schlumberger, Statoil, BG Norge, and Maersk Oil
- Cand Scient Geophysics, University of Bergen, Norway

Engineering Manager

Ståle Brattebø

- 34 years of experience from Aker Engineering, Kværner Subsea, Saga Petroleum, Poseidon Group, Siemens and IKM Technology
- BSc Subsea, Kongsberg, Norway

Marine Engineer

Ida Furru

- 1 year of experience from maritime supplier industry
- MSc Marine Technology from NTNU, Norway

Head of Reservoir Technology

Ronald Maritvold

- 40 years of experience from Elf Aquitane, Elf Italiana, Mobil Norway, ExxonMobil, Total E&P Norge
- BSc from Rogaland Distriktshøyskole, Norway

Reservoir Engineer

Emilie Ryen Jomark

- 1 year of experience from geoscience supplier industry
- MSc Petroleum from University of Bergen, Norway

Geologist

Tor Helge Storstein

- 1 year of experience from Equinor
- MSc Petroleum geology, University of Bergen, Norway

Head of Shipping and Marine Technology

Ola Ravndal

- 28 years of experience from Lloyd's Register, Statoil, Navion, R&M Projects, Equinor
- MSc Mechanical engineering from the University in Newcastle

Board of directors with strong credentials

Board of directors

Chairman of the Board
Kåre Johannes Lie

- 48 years of experience from Knutsen OAS, Stolt-Nielsen Seaway, Stolt Comex Seaway, Interrov, Seateam Technology, Deep Ocean, Reach Subsea
- MSc Marine Technology, NTH, Trondheim, Norway

Chief Executive Officer & Board Member
Bjørgulf H. Eidesen

- 16 years of experience from various management positions at Equinor
- MSc in Cybernetics/Control Engineering from NTNU, Trondheim, Norway

Board Member & Advisor
Rolf Magne Larsen

- 42 years of experience from Statoil and advisory business
- Led all of Equinor's International operations for 10 years
- MSc Petroleum Prospecting NTH, Trondheim, Norway

+2 board members to be elected by shareholders

Governance principles

- Open and shareholder-friendly structure
- Shares with equal rights and no staggered board, anti-takeover, or blank check preferred share provisions
- Bjørgulf H. Eidesen to resign from Board of directors. Significant shareholders have committed to vote in favor of new board member pointed out by Saga Pure

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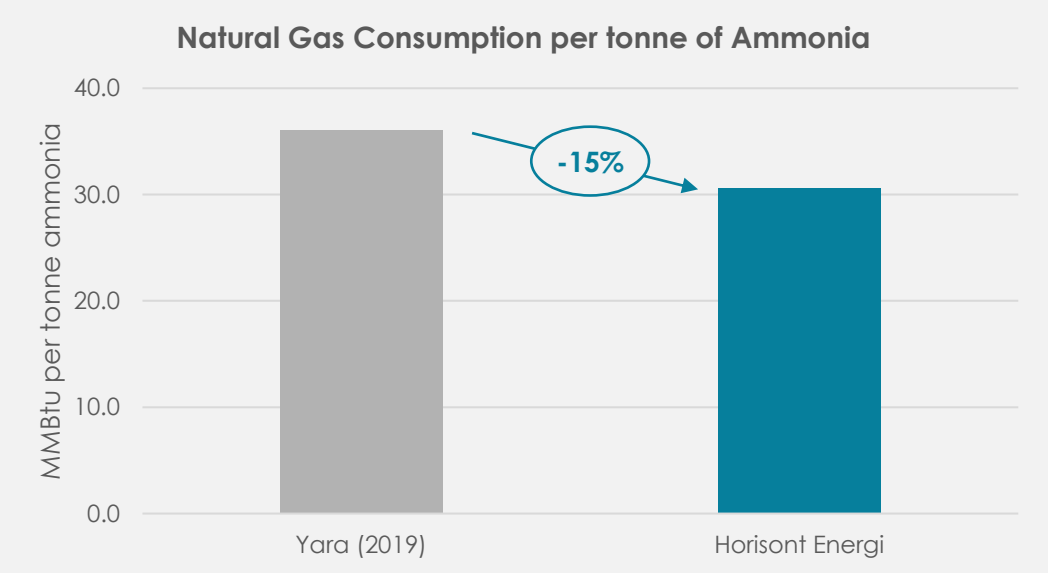
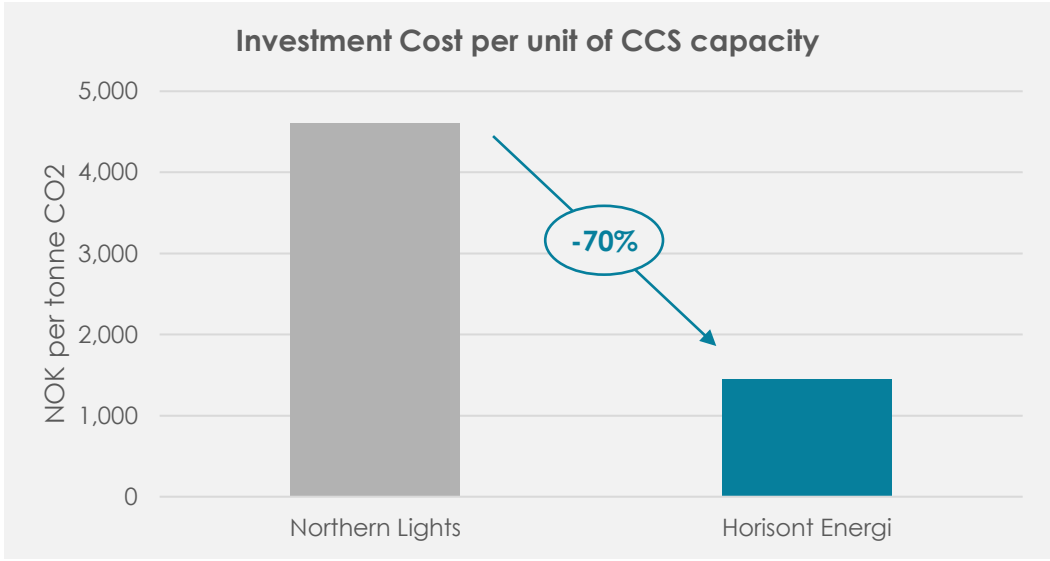
Each operation is competitive standalone

Ammonia production: Energy intensity



Ammonia: Energy Intensity Comparison	Unit	Yara (2019)	Horisont Energi [1]
Total energy consumption	million GJ	285	
Ammonia share	% of total	87%	
Energy consumption for ammonia		248	
Conversion	GJ per MMBtu	1.055	
Energy consumption	**million MMBtu**	**235**	**33.3**
Ammonia production	k tonnes per year	8,479	1,020
MMBtu per tonne ammonia		**36.1**	**30.6**

Carbon Capture & Storage: CAPEX

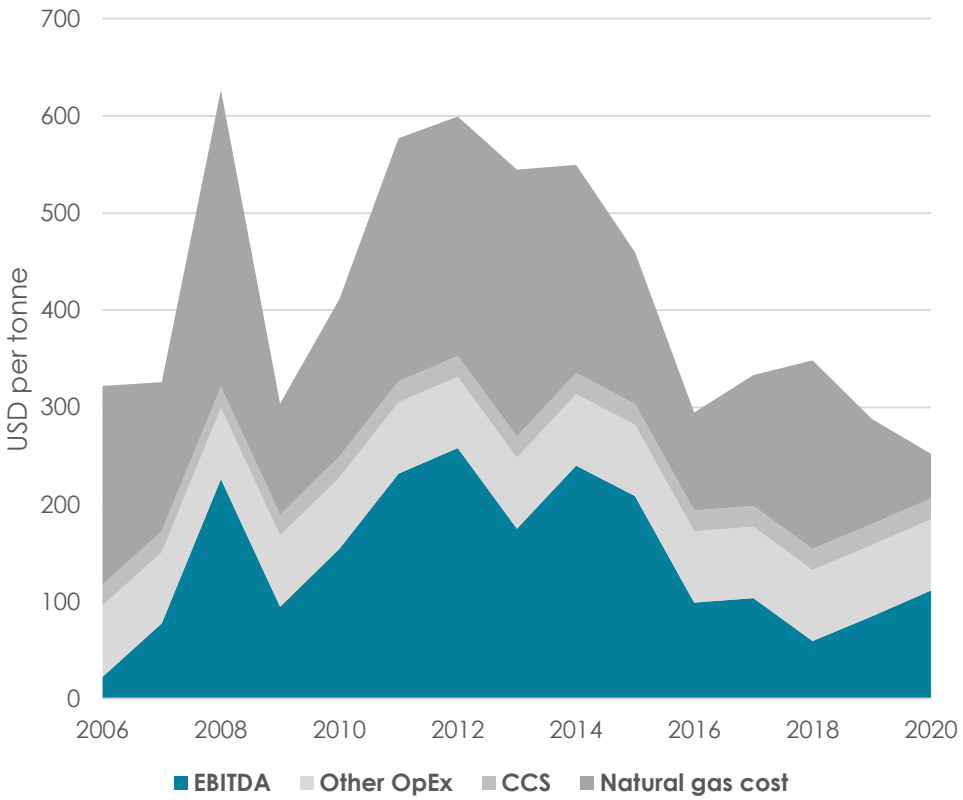


CCS: CAPEX Comparison	Unit	Northern Lights	Horisont Energi [1]
CAPEX: Facilities	NOK million	6,900	1,580
CAPEX: Transportation vessels	NOK million		1,000
Ammonia CO_2 emissions	tCO_2 per tonne		1.8
Ammonia production	million tonnes p.a.		1.0
CCS capacity per year	**million tonnes CO_2**	**1.50**	**1.84**
CAPEX per tonne of capacity	**NOK per tonne CO_2**	**4,600**	**1,400**

Source: Yara International, Equinor, Massachusetts Institute of Technology, Horisont Energi
Notes: (1) Based on Horisont Energi's estimates as of December 2020

Overall economics robust to commodity risk

EBITDA-margin: With historical ammonia and natural gas prices



NOK580m

*average net EBITDA generation per year for Horisont Energi, with historical ammonia and natural gas prices***

Comments

- Despite added CCS costs, Horisont Energi would have been profitable every single year since 2005, earning an average annual EBITDA of USD 60+ million
- Analysis based on spot prices for ammonia and natural gas in NW Europe, and Horisont Energi's estimates for operating expenses
- Average EBITDA-margin of 28% in the last ~15 years compares well with fertilizer peers, earning an average 13%*
- **Analysis excludes potential price premiums for blue ammonia**

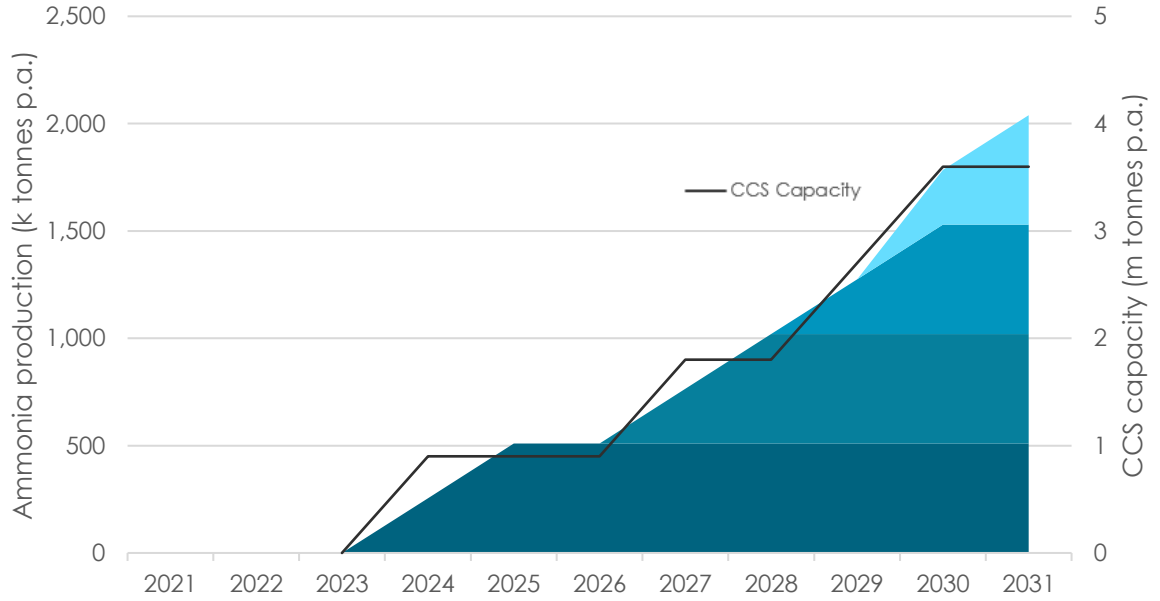
Source: Green Markets, ICE, Horisont Energi estimates
Notes: Ammonia prices based on landed/imported prices in NW Europe. Natural gas prices from Dutch TTF hub front month prices. Using annual average prices.
(*) Based on Yara International's average EBITDA-margin in 2005-19. (**) Converted from USD to NOK at 9.2 NOK/USD.

Substantial expansion potential identified

Potential growth plan

- Current focus is on executing Phase 1 described previously, but Horisont Energi has identified **potential for three more ammonia and CCS facilities at the project site**
- Strategic location ensures **access to low-cost natural gas and short distances to CO_2 injection reservoirs** offshore
- If executed, Horisont Energy could reach a capacity of **over 2 million net tonnes ammonia per year by 2031**
- The buildout potential for CCS implies a potential **capacity of 7.2mln tonnes CO_2 per year by 2031**, if projects are executed
- Substantial cost efficiencies for additional production capacity;
  - Process train 2 added to same production plant
  - CO2 injection capacity doubled with another injection well, but utilizing the same subsea infrastructure
- Estimated CCS capacity in 2031 could exceed emissions from ammonia production, potentially enabling a new revenue stream for Horisont Energi

Potential capacity buildout



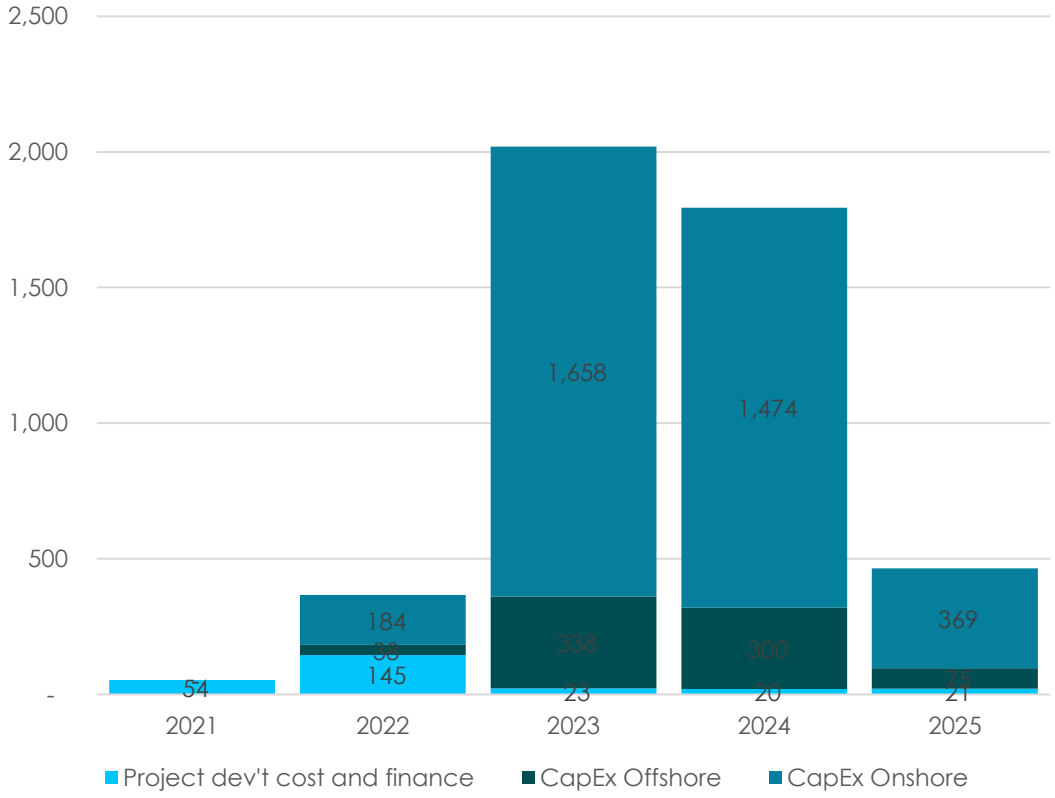
	Phase 1	Phase 2	Phase 3	Phase 4	Total
CAPEX*	NOK 4.7bn	NOK 2.6bn	NOK 2.6bn	NOK 4.2bn	NOK 13.7bn
Ammonia production	510 k tonnes p.a.	510 k tonnes p.a.	510 k tonnes p.a.	510 k tonnes p.a.	2,040 k tonnes p.a.
CCS capacity	0.9 m ton p.a.	0.9 m ton p.a.	0.9 m ton p.a.	0.9 m ton p.a.	3.6 m ton CO_2 p.a.

Current focus and use of proceeds

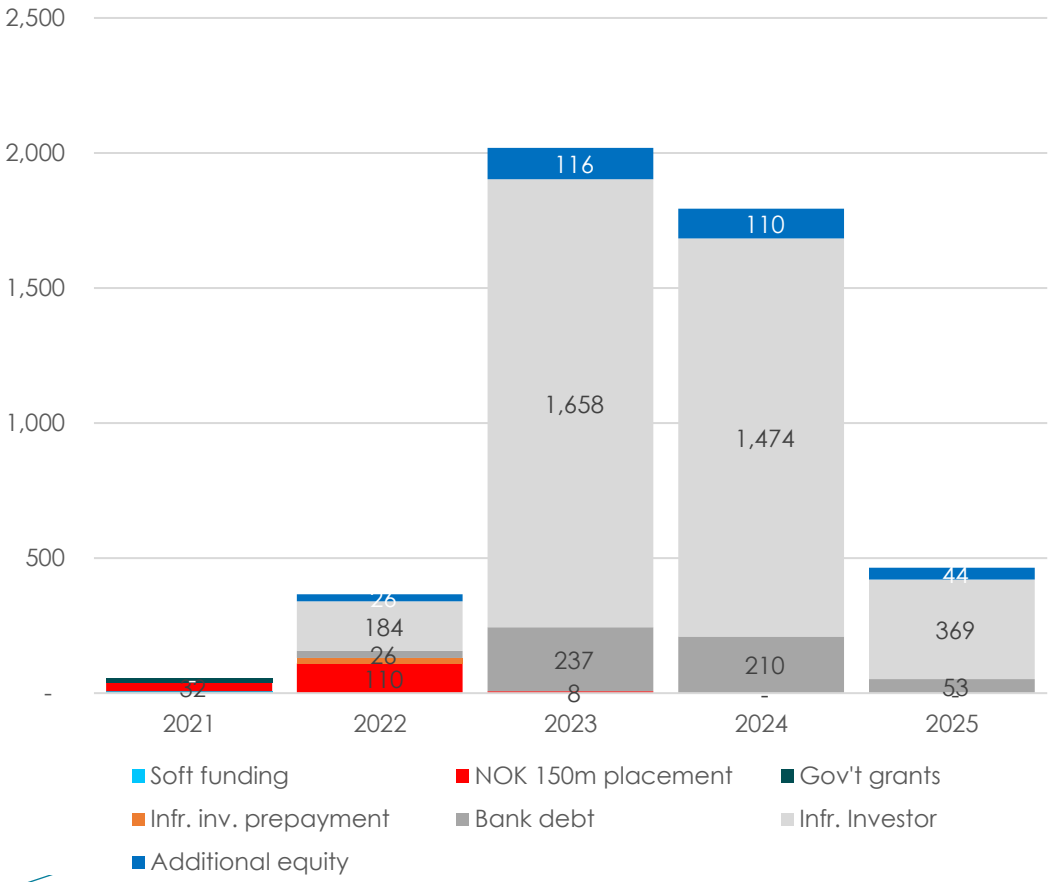
Source: Horisont Energi
Notes: Ammonia production, CCS capacity, and CAPEX based on Horisont Energi's 50% share of the output.
Assumes 50% utilization of ammonia capacity in the plants' first year of operation. CAPEX figures includes both onshore ammonia production and offshore CCS facilities

Long term funding plan

Capital uses 2021-2025



Capital sources 2021-2025



- **Subsequent equity rounds to raise an additional NOK ~300mln**
- **Attractive lease terms and project support indicated from dedicated infrastructure investors**

Notes: Sources and Uses net to Horisont Energi

Investment highlights

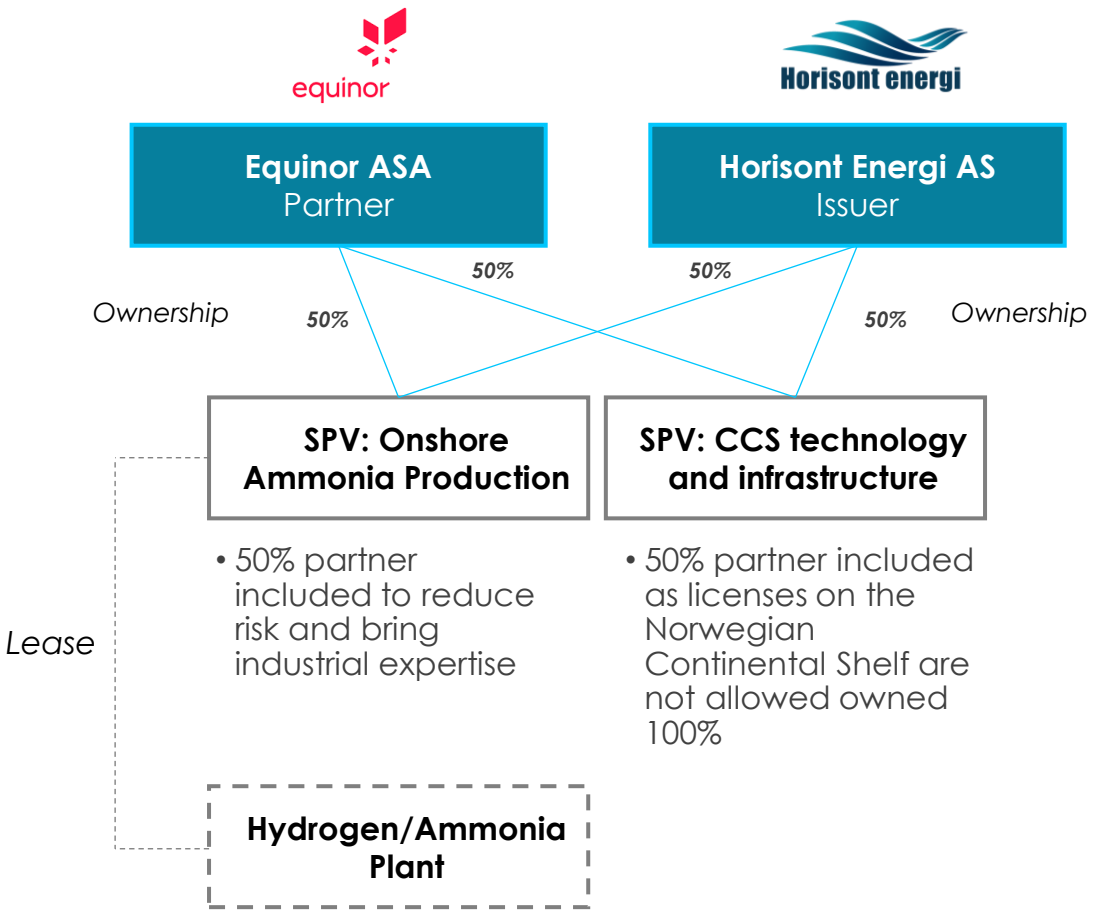
The first carbon free energy company	• Horisont Energi will be the world's first large scale provider of carbon free ("Blue") ammonia, producing in excess of 1,000,000 gross tonnes of clean ammonia from its plant in Finnmark, Norway. • In addition, Horisont Energi will be the first pure CCS company offshore Norway, offering CO_2 transportation and storage in its own operated injection storage reservoirs in the Barents Sea.
Clean ammonia demand expected to grow fast	• Market for ammonia is highly established worldwide, with transportation infrastructure already in place, and high, robust demand from the agriculture and industrial segments. But as a significant source of CO2 emissions, ammonia production needs to decarbonize. • Ammonia is also considered a more viable clean fuel than hydrogen to replace fossil fuels in the transportation and power sectors, opening up new market segments with potential to exceed today's demand for ammonia by 2050.
Highly attractive economics	• Horisont Energi has developed a proprietary concept for carbon transportation and storage, enabling the company to store CO_2 with a CAPEX of around 50% of current large-scale carbon storage projects, hence profitable without government support • The company also has a highly efficient ammonia production technology, plus access to captive natural gas in the Barents Sea, making the ammonia economics strong and robust to commodity risk.
Strategic partners in place for rapid development	• Equinor has signed an MOU to take a 50% stake in the project. Furthermore, Horisont Energi is in advanced talks/agreements with key strategic partners with regards to gas purchases, onshore ammonia and CCS plant development, offtake and infrastructure funding. • This provides Horisont Energi with a clear path to their first process train, producing 1,000,000 tonnes of carbon free ammonia.
Experienced and committed team	• Highly experienced team with more than 350 years cumulative energy experience combined as CEO's, EVP's and directors in Total, Elf, ExxonMobil, DeepOcean, Poseidon, Njord Gas Infrastructure, Statoil, Revus , Wintershall , BG Group and Maersk Oil

Agenda

- Market opportunity
- Project overview
- Management team
- Economics
- **Appendices**

Company structure

Company structure



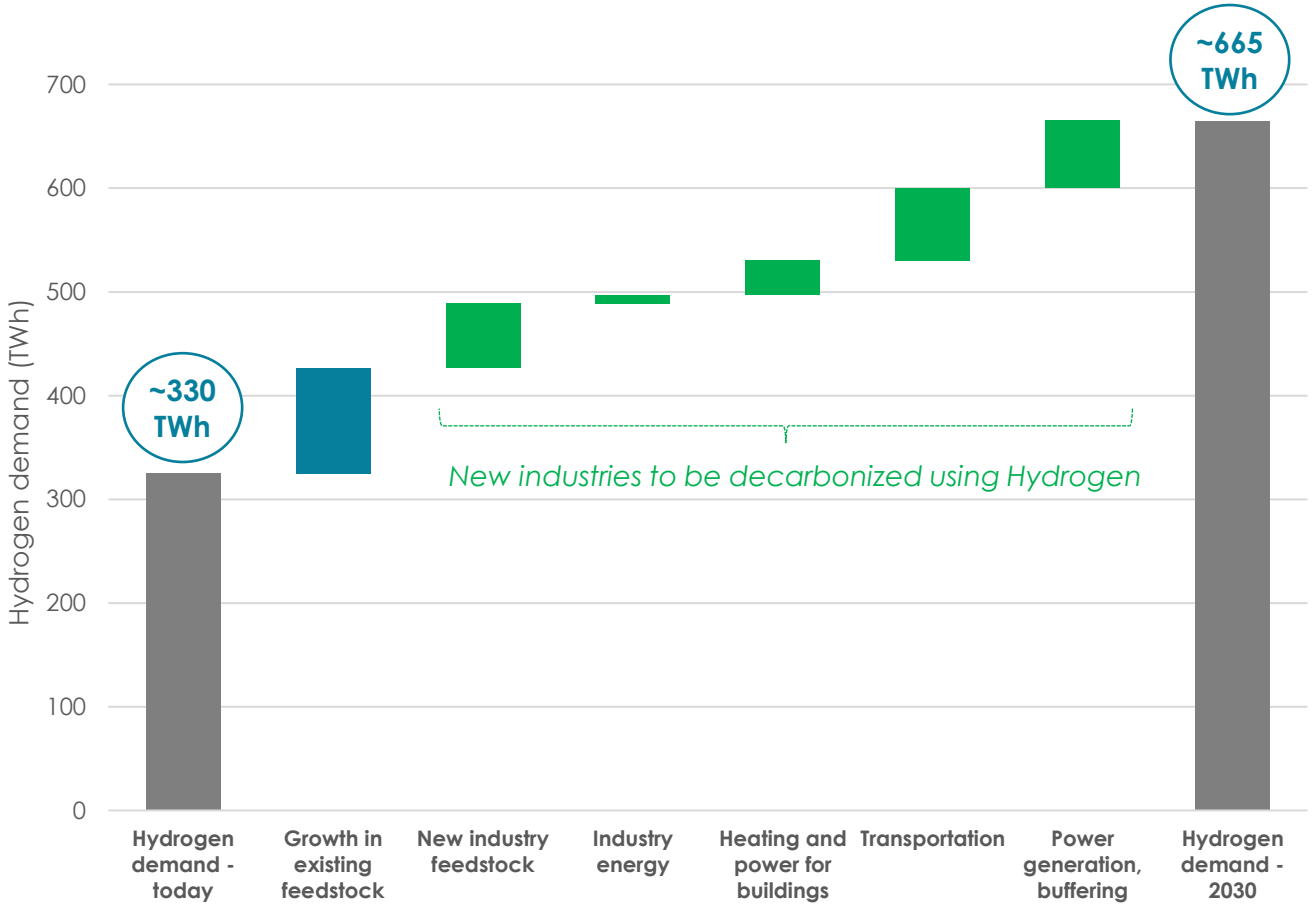
Comments

- Equinor and Horisont Energi signed an MoU on 18 November detailing the key terms of a collaboration on developing "Project Barents Blue"
- SPVs will be established for each revenue stream:
  1. Onshore Ammonia Production
     - ✓ The entity owning the ammonia production operations and revenue stream
     - ✓ The physical ammonia plant will be owned by infrastructure investors and leased back to the SPV
  2. CCS technology and infrastructure
     - ✓ The entity will own the CCS technology and the offshore licenses/reservoirs
     - ✓ The SPV will sell CO_2 storage services to both its sister company and third-party companies looking to reduce their carbon footprint by reinjecting CO2
- The final structure of the collaboration between Equinor and Horisont Energi is subject to change upon signing of the final Collaboration Agreement.

Notes: Company structure based on signed MoU with Equinor as of 18 November 2020. The ownership shares and structure is subject to change upon final signing of the Collaboration Agreement

Further potential as main carrier of hydrogen

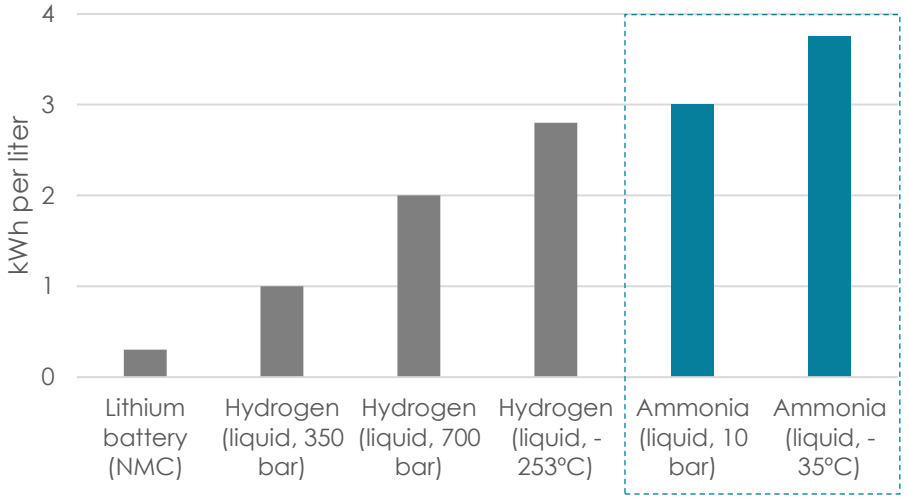
Hydrogen demand expected to grow fast…



…but ammonia is key as energy carrier

- Since hydrogen has 30-40% lower energy density than ammonia, it requires more space to transport, making it a less effective energy carrier
- At atmospheric pressure, hydrogen also needs to be cooled to -253 °C, while ammonia needs only be cooled to -33 °C, resulting in lower energy consumption and losses in transit

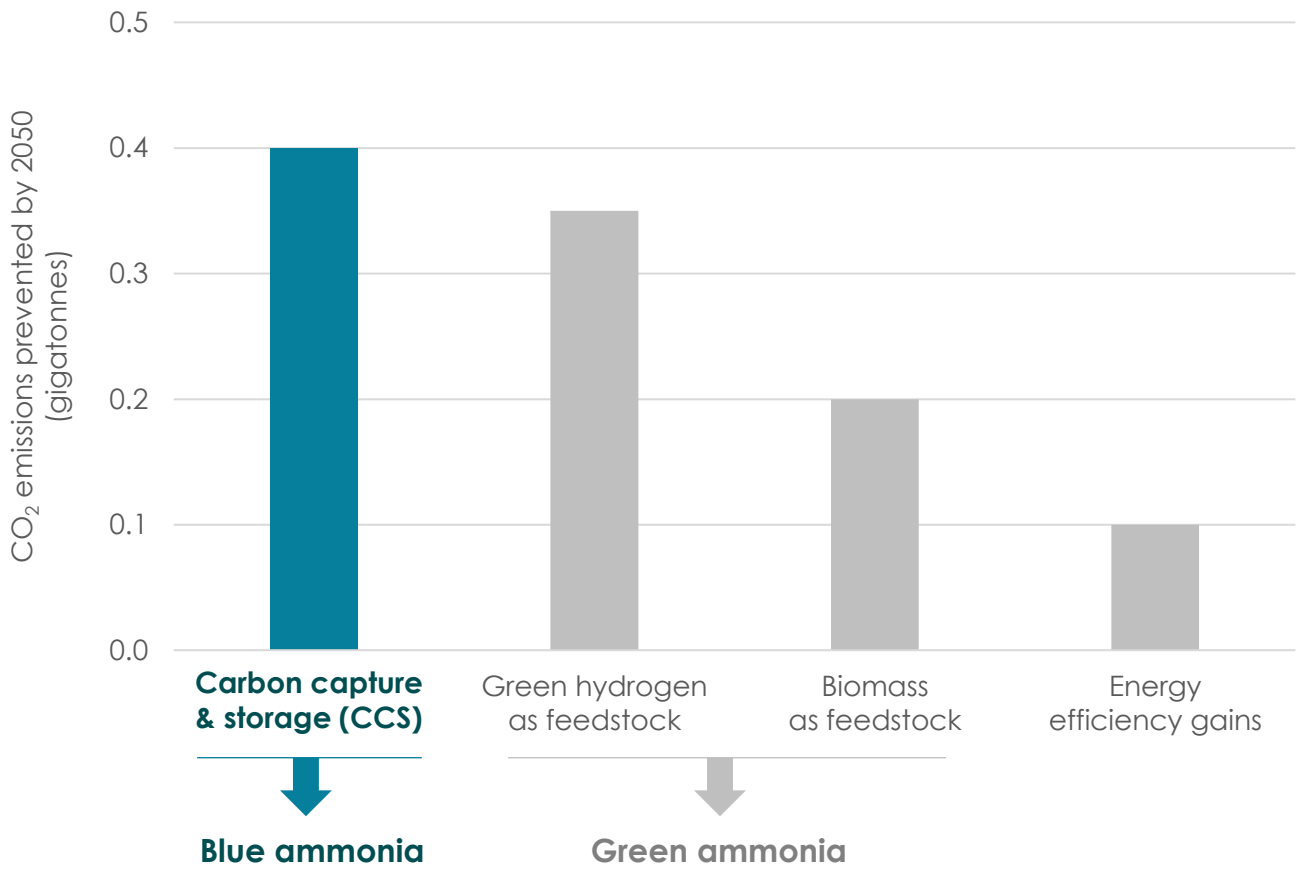
Energy density of key low-carbon fuel options



Source: Hydrogen Roadmap Europe (2020), The Royal Society – Ammonia: The Zero-Carbon Fertilizer, Fuel and Energy Story (February 2020)

CCS can decarbonize ammonia significantly

CO_2 emissions avoided, by ammonia decarbonization option



Comments

- Carbon capture & storage (CCS) offers the greatest potential to reduce emissions from ammonia production
- By 2021 the new EU Taxonomy will be implemented, concluding that gas infrastructure with more than 100g CO_2/kWh is non-sustainable.
- In practice this means all gas development without CCS does not meet sustainable definition
- Also, according to DNV GL, blue hydrogen will be able to de-carbonize more than green hydrogen until the electricity used for electrolysis is less than 250 kg CO2e/MWh

Source: McKinsey & Company (2018), DNV GL (Grroup technology & research – position paper, 2018)
Notes: Figure shows average of McKinsey's three electricity price scenarios to 2050.

P&L and balance sheet

P&L (NOK)

	H1 2020
Sales revenue	**0**
Wages, salaries and social security cost	2 423 207
Other operating expenses	3 824 521
Operating profit/loss	**- 6 247 728**
Financial cost	- 14 802
Ordinary result before taxes	**- 6 262 530**

Balance sheet (NOK)

	2019	H1 2020
Assets		
Inventory		50 000
Receivables	39 375	
Bank deposits, cash etc	989 360	657 429
Total assets	**1 028 735**	**707 429**
Liabilities and equity		
Share capital	56 607	61 607
Share premium fund	35 000	38 500
Other paid-in capital	4 618	4 618
Unallocated result	- 413 384	- 6 675 914
Equity	**- 317 160**	**- 6 571 189**
Long term debt	1 050 000	5 300 000
Accounts payable	295 894	1 254 324
Public fees due		529 207
Other short term debt		195 088
Liabilities	**1 345 894**	**7 278 619**
Liabilities and equity	**1 028 734**	**707 430**

Source: Horisont Energi

CO_2 Injection Solution

Knutsen OAS Shipping

CO_2 Carrier

Horisont energi

Onshore Control Room

ALCATEL SUBMARINE NETWORKS

Power & control cable to shore

Seasystems

A part of Scana

Offshore off-loading system

CO_2 injection system

CO_2 injection riser

Patent Pending

Core values and culture

BRAVE

- **Innovation and results** are central to all that we do

OPEN

- We have **high ethical standards** for ourselves and our suppliers
- **Integrity and transparency** are core principles for our business conduct

RESPONSIBLE

- Our activities shall be **safe for people and the environment,** and shall contribute to **a better climate**
- We support the **UN Sustainability Development Goals**

EMPOWERED

- **A trust-based culture** where we care about development of people
- An organisation **focused on diversity** and **equality**

A TRUST-BASED CULTURE, DIVERSITY, EQUALITY

INNOVATION AND RESULTS

A BETTER CLIMATE

SAFE FOR PEOPLE AND THE ENVIRONMENT

HIGH ETHICAL STANDARDS, INTEGRITY, TRANSPARANCY

UN SUSTAINABILITY DEVELOPMENT GOALS

HSE Culture

- **Forward looking HSE improvement** through proactive kpi's
  - Monitoring and handling of quality events to proactively reduce probability of accidents
- **We care** for our colleagues well being and mental health
- **Knowledge and holistic understanding** is a key organisational barrier in our activities
- **Technology and innovation** can improve HSE beyond the level experienced today
- When dealing with safety, we shall always be s**ure before we proceed**

Ethical Code of Conduct

Short management summary of our Code of Conduct

Ethics and transparency are key

- The Code is fundamental to our business conduct and let us operate sustainably
- We respect communities, people and human rights, and act with integrity
- We promote fair competition and work against corruption in all forms
- We act within applicable laws, strive for accuracy in our records and avoid conflicts of interest
- Dilemmas of ethical nature shall be openly discussed and collectively learned from
- We expect the same ethical standards from our suppliers and partners as from ourselves
- We speak with integrity against suspected breaches of our Code

CCS in Norway

- **1996** Sleipner CO_2 injection started
- **2007** Snøhvit CO_2 injection started
- **2014** Norwegian CO_2 storage legislation for storage of CO_2 from third parties (exploitation licenses)
- **2019** First CO_2 storage license, no EL001 «Aurora», awarded to Northern Lights
- **2019** Resolution to the London protocol opens up for bilateral agreements between countries for transport of CO_2 across national borders
- **2020** First PDO for a CO_2 storage project for third parties, Northern Lights, delivered in Norway