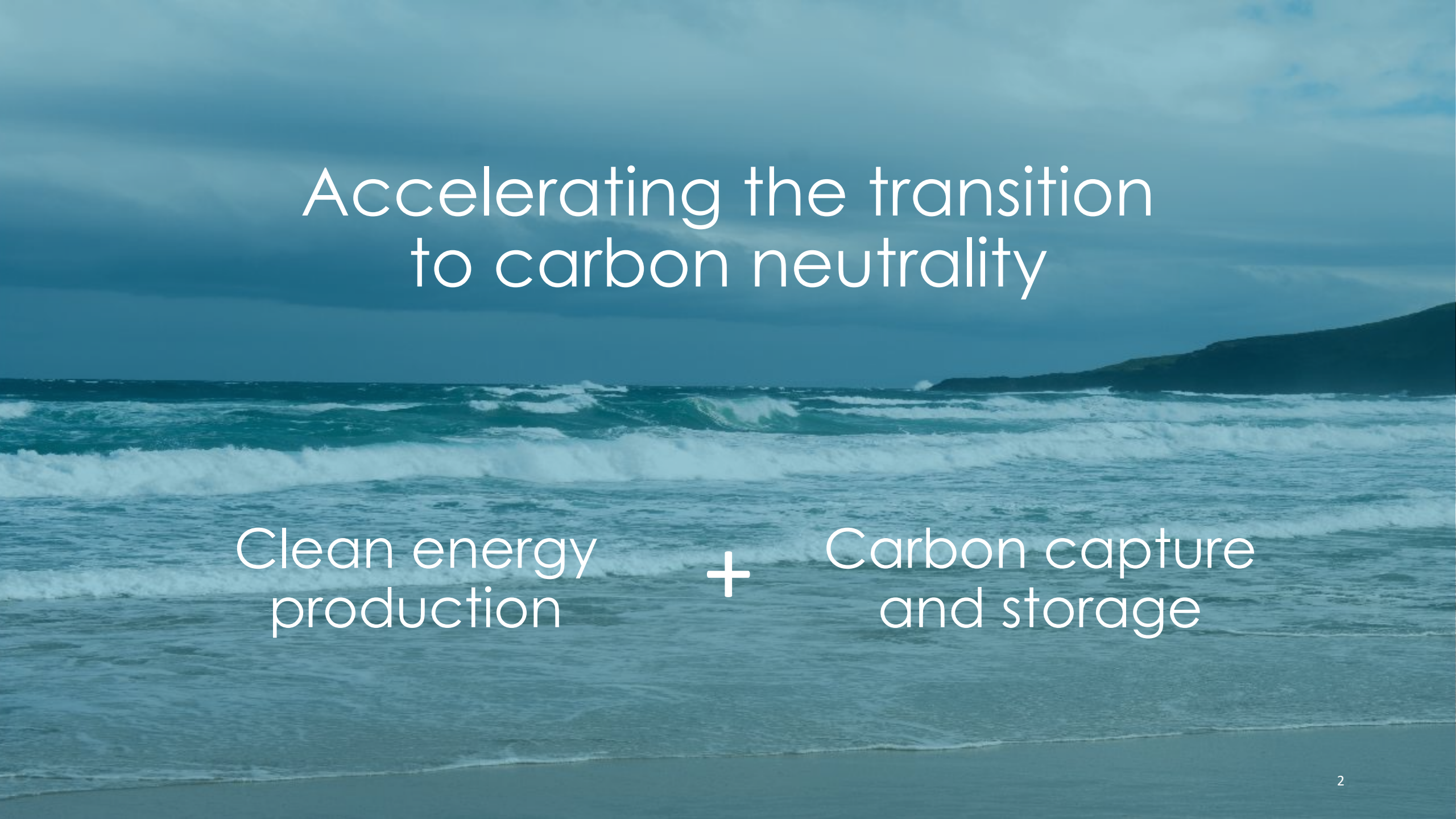
Horisont Energi

Accelerating the transition to carbon neutrality

28 February 2023

Horisont energi


Accelerating the transition
to carbon neutrality
Clean energy
production
+
Carbon capture
and storage

A Norwegian clean energy and carbon capture and storage company

Horisont energi

Experienced and dedicated team of ~50 people

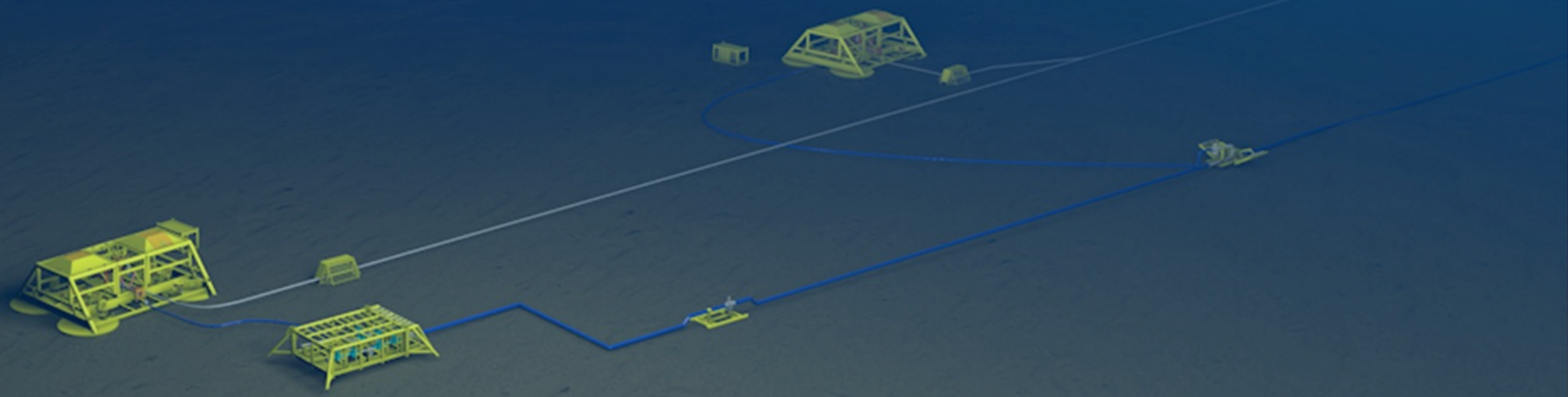
Leading industrial partners

Industrial ownership with E.ON as largest shareholder with 25% stake

Committed to accelerating the energy transition

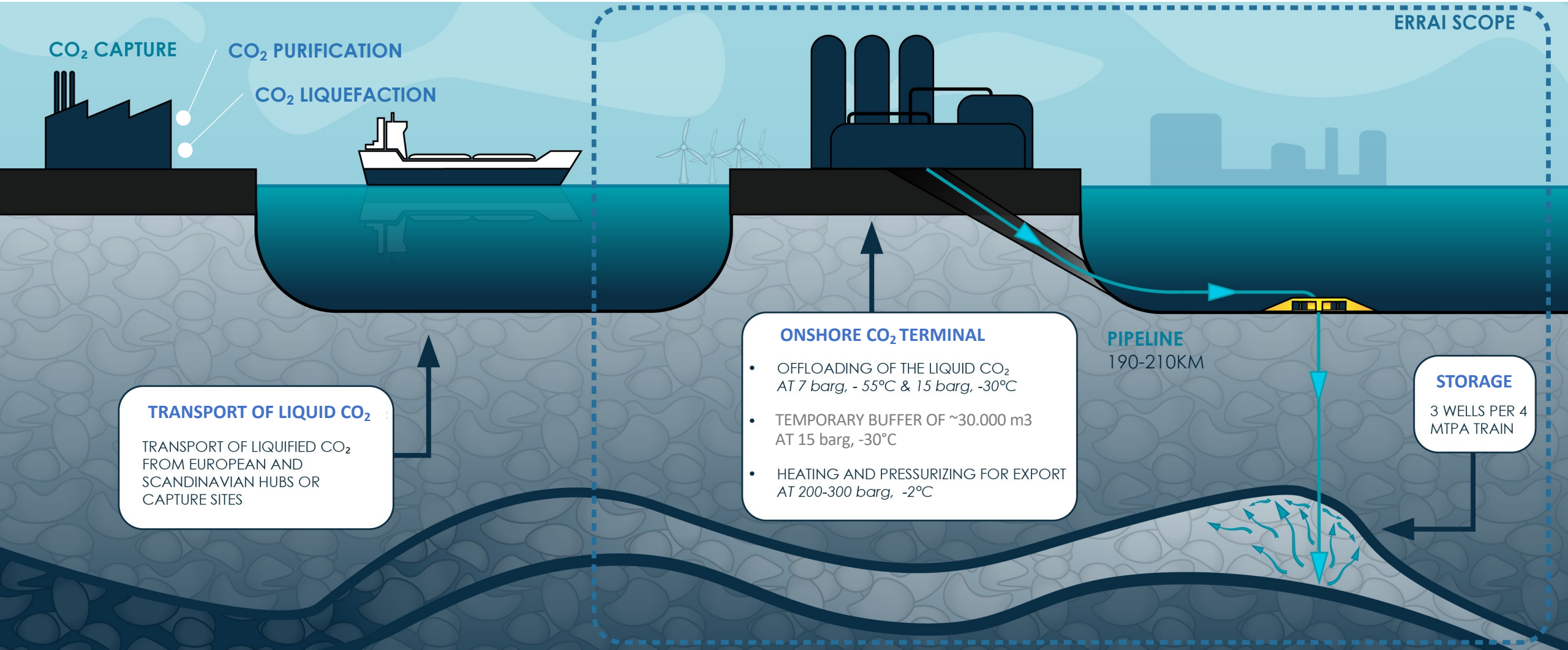
Segments	Projects	Partners
CARBON CAPTURE AND STORAGE	**Errai** Carbon capture and storage	NEPTUNE ENERGY, e·on
	CO_2 Terminal PoR International logistic value chain for CCS	koole TERMINALS
	Polaris Carbon capture and storage for Barents Blue	*In process*
CLEAN AMMONIA	**Barents Blue** Blue ammonia plant	Fertiberia, European Commission
	NH_3 Terminal PoR International logistic value chain for clean ammonia	koole TERMINALS
	Star Green ammonia plant	st1

The CCS opportunity



What is CCS all about?

The Errai project CCS value chain



Horisont Energi, Neptune Energy and E.ON joint development

Complementing the carbon value chain

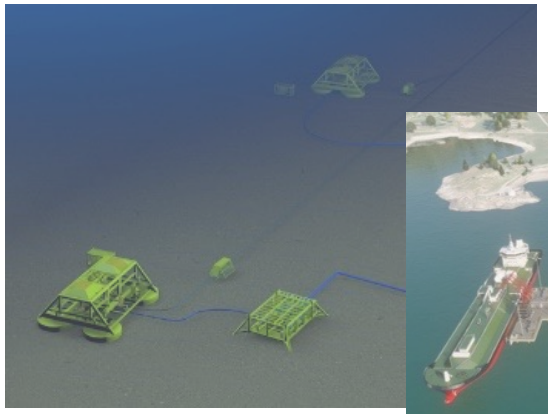
E.ON

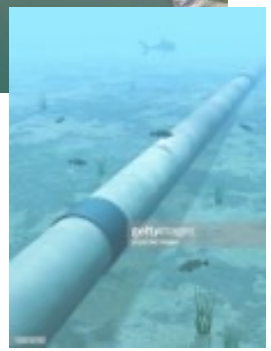
Onsite carbon capture

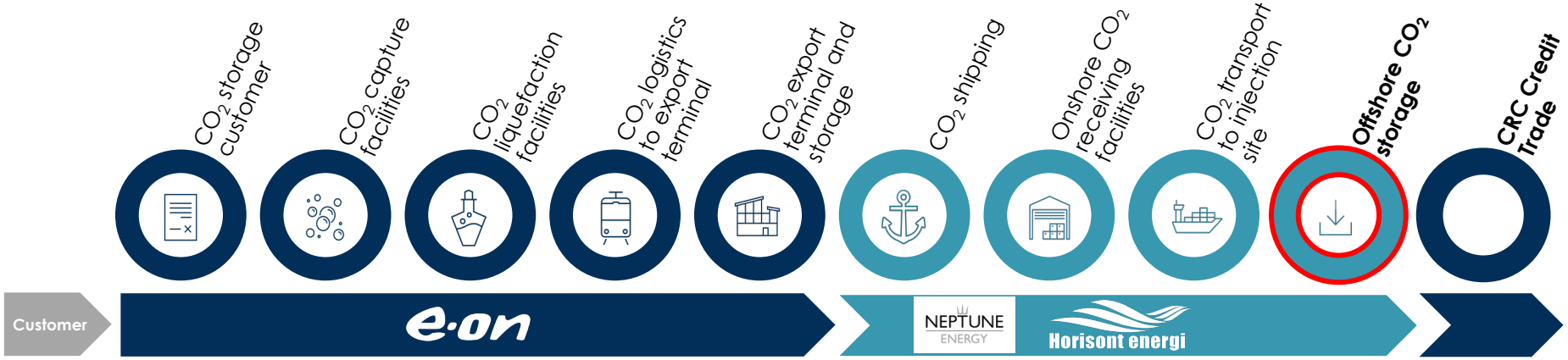
CCS

NEPTUNE ENERGY Horisont energi

Carbon transport and storage







CCS – key ambitions and goals

BECOME A LEADING CARBON STORAGE ASSET DEVELOPER

2030 Ambitions

<500 Mt

Equity storage capacity

Become a carbon storage operator

Be central in the carbon market including CDR

TODAY

2 PROJECTS

Errai project in development

Polaris project in development

2027

5 PROJECTS

1 RESERVOIR IN OPERATION

Errai project phase 1 in operation

Errai project phase 2 in development

Polaris project in development

New projects in development

2030

5 PROJECTS

3 RESERVOIR IN OPERATION

Errai project phase 1&2 in operation

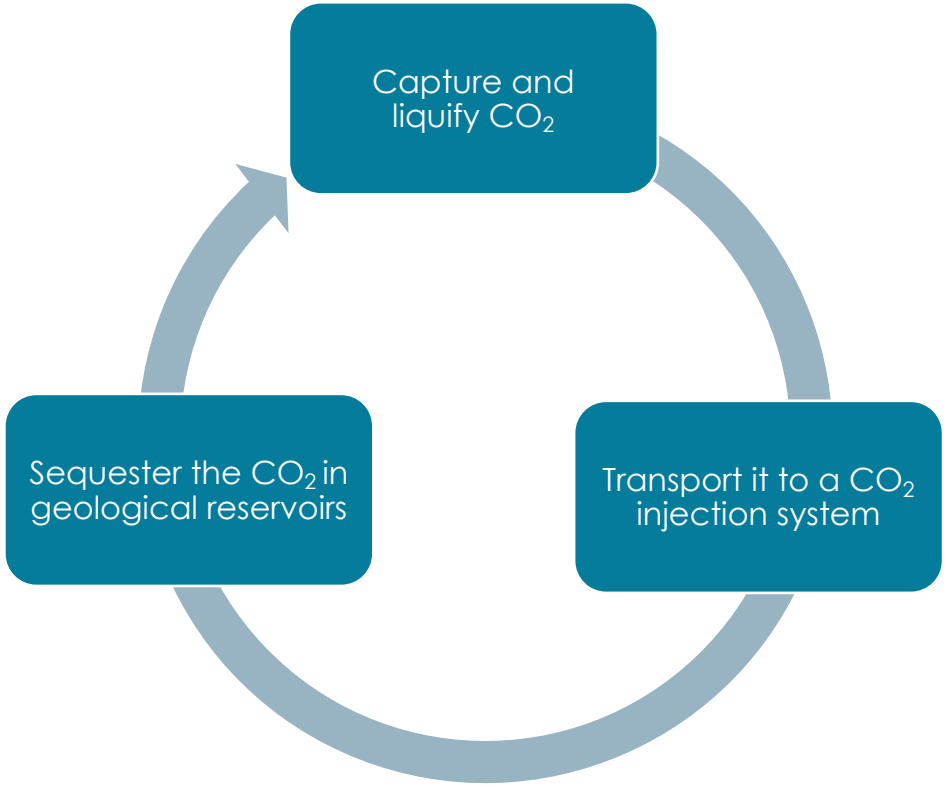
Polaris project in operation

New project in operation

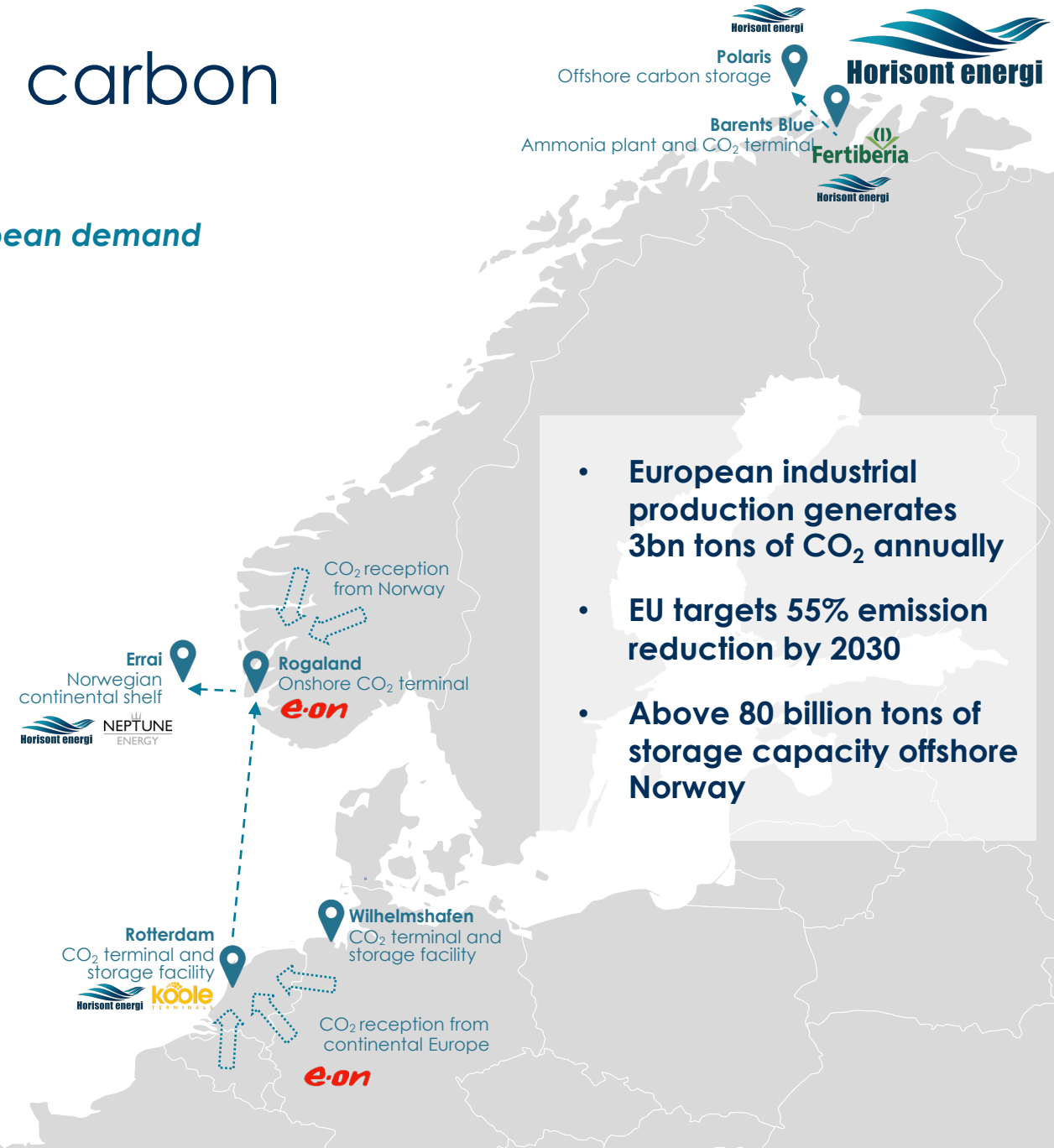
New projects in development

Establishing an end-to-end carbon storage business

Building a value chain for carbon storage to meet high European demand



Economy of scale across the entire value chain



- **European industrial production generates 3bn tons of CO_2 annually**
- **EU targets 55% emission reduction by 2030**
- **Above 80 billion tons of storage capacity offshore Norway**

Project Errai

An innovative commercial CO_2 project

Project highlights

- CCS project initiated by Horisont Energi in 2021
- First commercial CCS project in Norway, licence award pending
- Key part of planned CCS value chain
- Plan to store 4–8 million tonnes CO_2 annually in first phase, with additional potential
- Onshore terminal for intermediate CO_2 storage, with the intention to permanently store the CO_2 in an offshore reservoir
- Targeting European and domestic third-party customers

Errai represents a major step in industrialising CCS, including the development of the carbon market in Europe

Strategic partners

Horisont energi, NEPTUNE ENERGY, e.on

License group

Key figures

2026	>185m tonnes	4-8m tonnes	60%	NOK 8-12bn
First injection	Est. storage capacity	First phase injection capacity	Horisont Energi project share*	Project Capex on 100% basis

* Subject to Errai licence award and government approvals

Errai milestones

Completed

Planned

AUG 2022
Extends partnership with Koole Terminals to include CO_2 terminal in Rotterdam

NOV 2022
Signs LOI with E.ON for industrial-scale CO_2 storage in the North Sea

JAN 2023
Submitted application for Errai license

H1 2023
Errai offshore license award

Q2/Q3 2023
Decision gate 2

H1 2024
Final investment decision

2026
First injection

2022 | 2023 | 2024-25 | 2026

OCT 2022
Signs project cooperation agreement with Neptun Energy

DEC 2022
Signs collaboration agreement with Koole Terminals to develop a logistic value chain for CCS

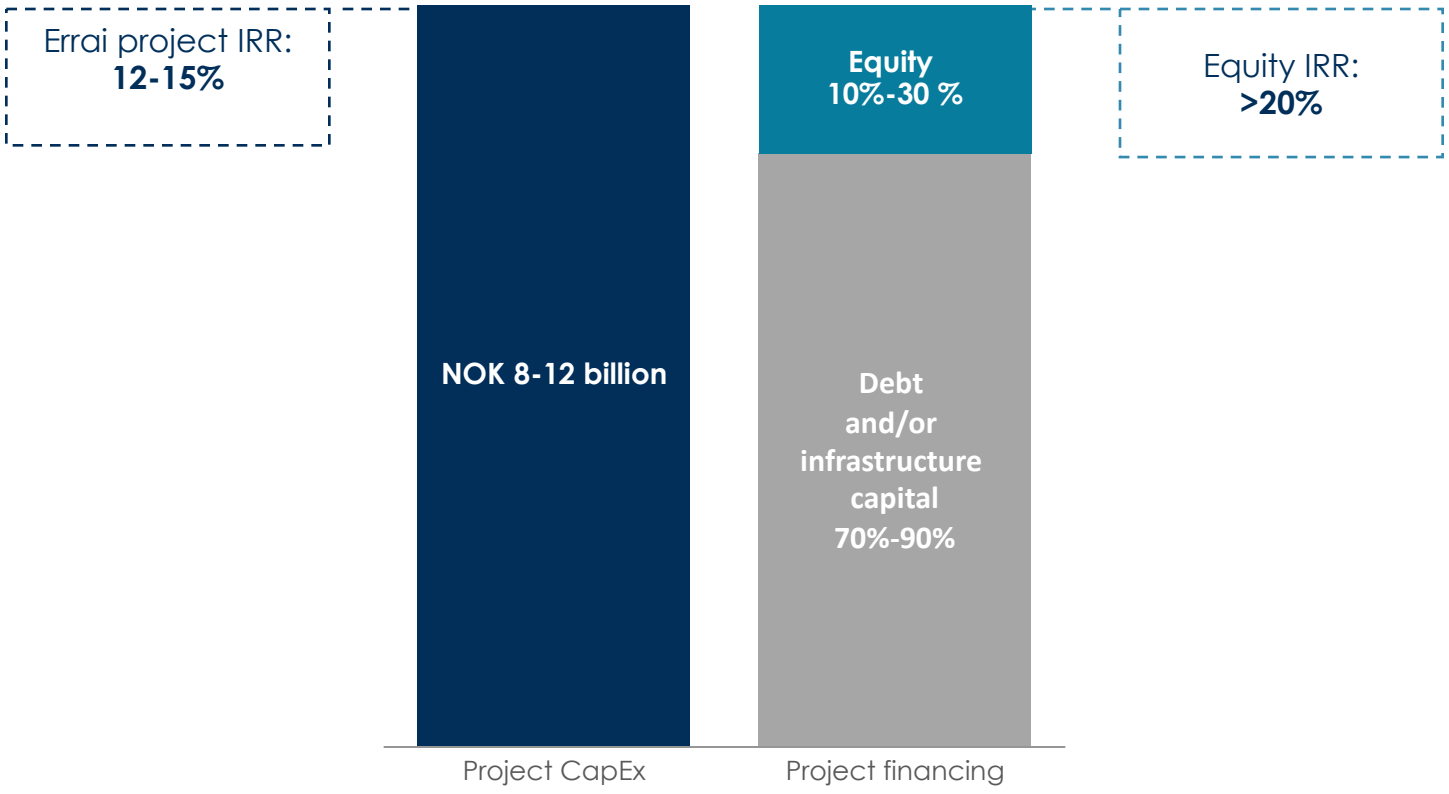
JAN 2023
Haugaland Næringspark chosen as location for onshore CO_2 terminal

FEB 2023
Signs MoU with E.ON to partner in the project

H2 2023
FFED and long lead engineering

2025
Construction

Errai business model designed for large-scale, with limited capital requirement



- Opportunities for both bank financing and infrastructure investments to leverage the project
- Equity partnership between Horisont Energy, Neptune Energy and E.ON
- Current HRGI equity share of 60%, with final equity share subject to Errai license award

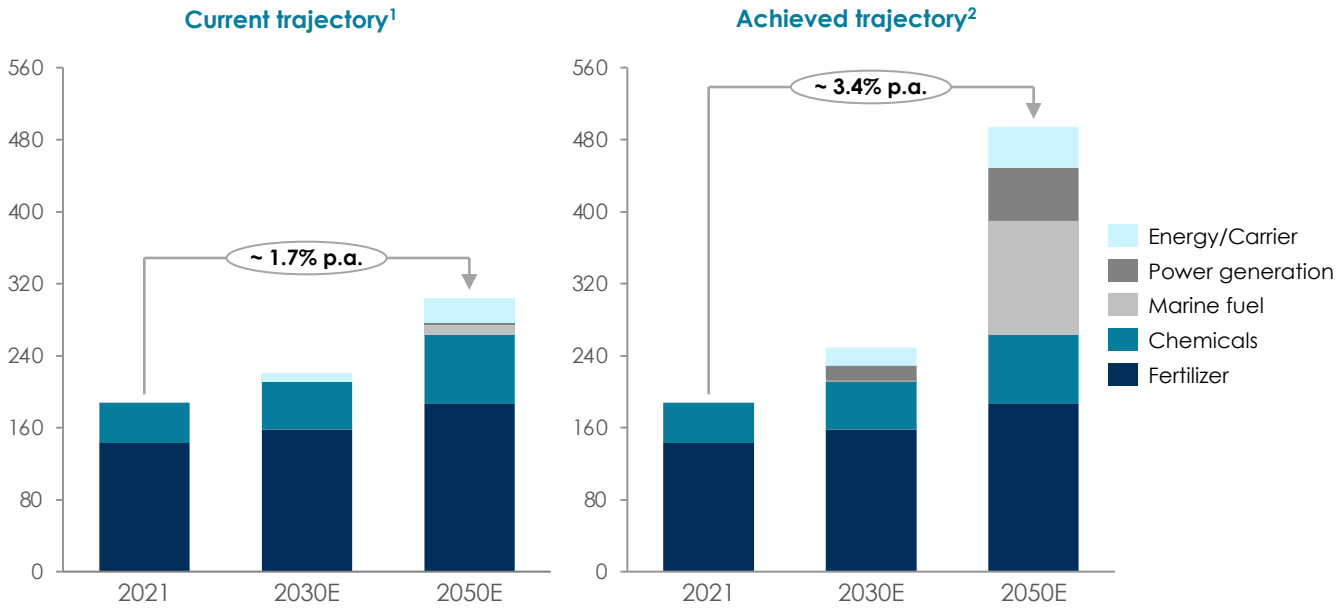
Slide for illustrative purposes. Assumptions: 70% project debt financing @8% interest rate.

The clean ammonia opportunity

The world needs clean energy

Critical to decarbonize ammonia production to achieve carbon neutrality

Ammonia demand per sector (mtpa)



- Demand expected to grow through both conventional and new offtake markets
- Established ammonia markets have a critical need for decarbonization
- RePower EU, EU Maritime Fuel initiative, CBAM and other regulations are driving the EU market
- New markets in marine fuels, power generation and energy transport and storage, driven by regulations
- EU alone targets 100 mtpa of clean ammonia by 2030 and 200 mtpa by 2025

1) Current trajectory of renewables cost decline continues, however currently active policies remain insufficient to close gap to ambition.
2) Net-zero commitments achieved by leading countries through purposeful policies, followers transition at slower pace

Source: McKinsey Energy Insights Global Energy Perspective 2022

Project Barents Blue

Building Europe's first world-scale clean ammonia facility

Project highlights

- Best-in-class life-cycle carbon footprint, with >99% carbon capture
  - Environmentally friendly plant with almost zero emissions
  - Modular construction strategy with focus on sustainable solutions and circular practices in design
  - Mostly self-sufficient on power, limited renewable electricity from grid
- Fertiberia adding more than five decades of ammonia plant operations and commercial operations knowhow
  - European-first industrial-scale CO_2-free ammonia production
  - Fertiberia contemplating Barents Blue offtake to existing fertilizer plants, part of plan to become zero carbon by 2035

Simplifying the project and reducing costs:

- Reducing from three to two production trains maximum at site
- Focusing on first train and sourcing gas from Snøhvit
- Simplifying scope to one train and reducing cost at Melkøya gas plant

Signed cooperation agreement with Fertiberia

Fertiberia

European Commission

Key figures

2024	2028	1m tonnes	50%
Final investment decision	Est. production start	Annual production by 2028	Horisont Energi project share*

* Subject to finalisation of partnership agreement with Fertiberia

New Partner de-risking project through ammonia operational and industrial competence and capacity

Grupo Fertiberia at a glance

Shareholder

Triton Partners since February 2020

Solid balance structure

Plants

14 production plants

In Spain, Portugal and France

Presence

Sector leaders on the Iberian Peninsula

Solid market presence in both, Spain and Portugal

Brands

Complete, diversified and sustainable product portfolio

+530 products both for crop nutrition and for industrial segments

Employees

Over **1,600 employees**

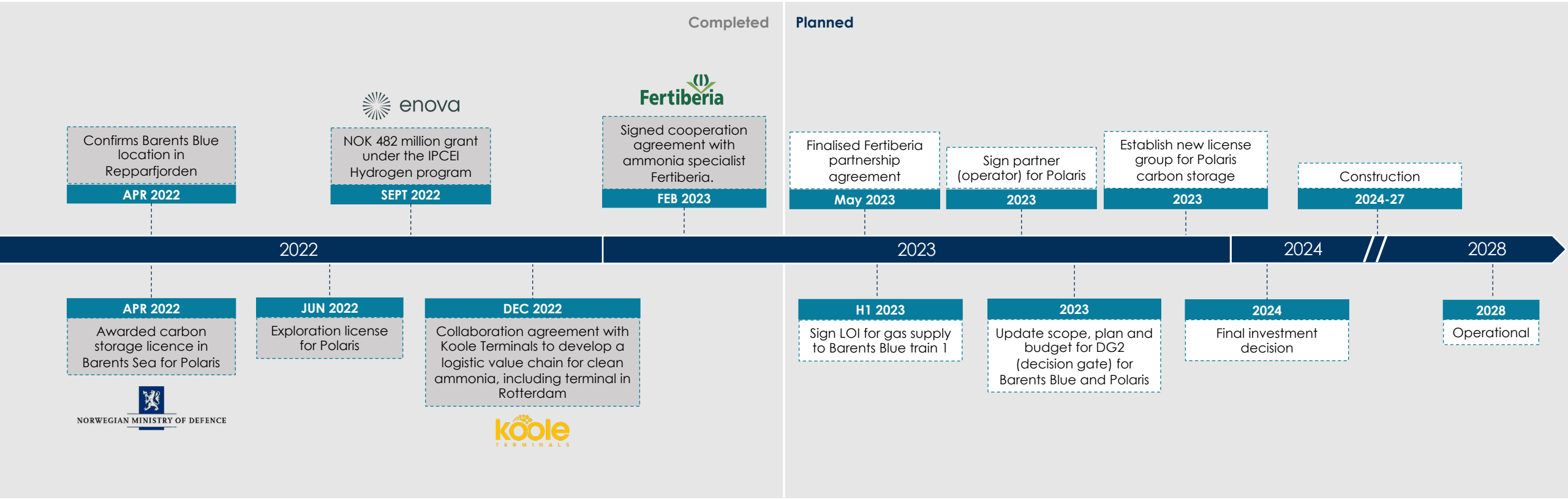
across the Group's various sites and business units

Customers

+/-1 thousand in 80 countries

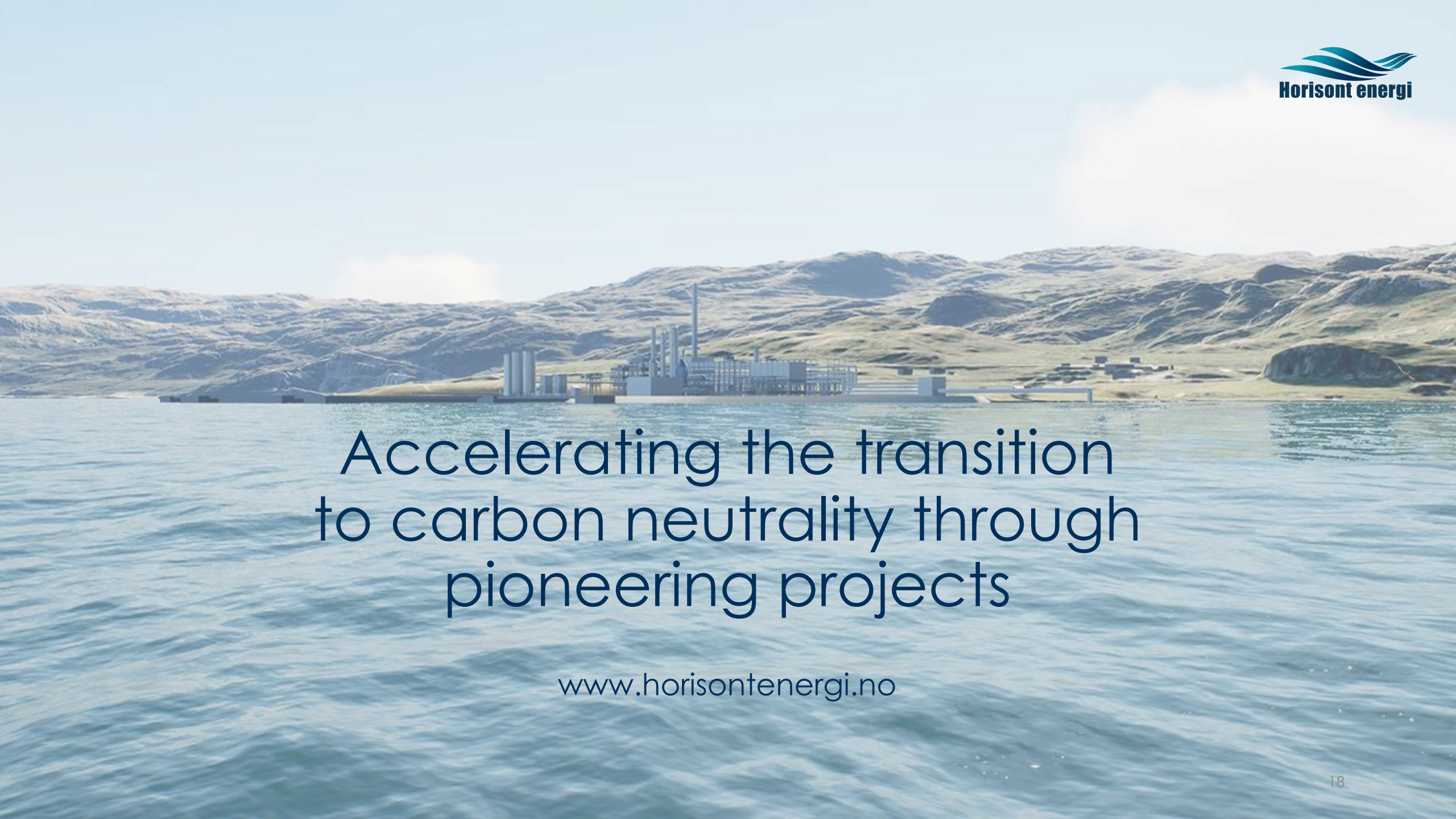
Distributors, cooperatives, industrial customers or farmers

Barents Blue/Polaris milestones



Investment highlights

- Early mover in carbon capture and storage and world-scale clean ammonia production
- Large scale projects with strategic partners in place for rapid development
- Highly attractive economies of scale
- Experienced and committed team



Accelerating the transition to carbon neutrality through pioneering projects

www.horisontenergi.no