Visit from Danish delegation

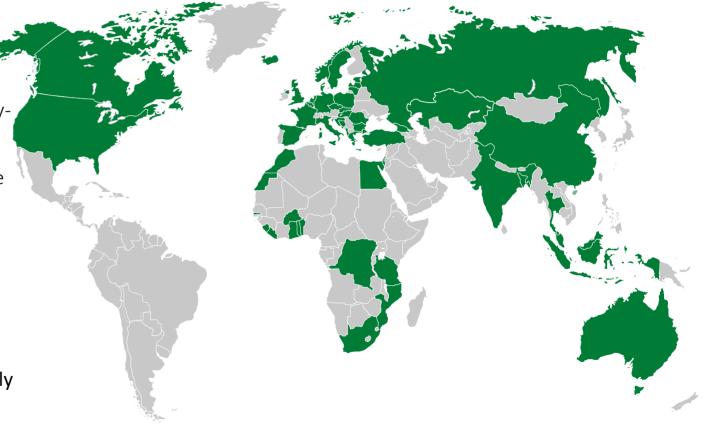
27 September 2022

Brevik CCS Per Brevik, Public Affairs Brevik CCS



HM - one of the largest vertically integrated building materials producers in the world

- 53,000 employees
- Leading market positions in aggregates, cement, and readymixed concrete
- 3,000 production sites in more than 50 countries
- Cement capacity 184 mt (incl. joint ventures)
- Aggregates resources and reserves 19.2 bnt
- HeidelbergCement has recently changed name to Heidelberg Materials



CEMENT, CONCRETE AND CO₂

Concrete is essential for building a sustainable society





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NORCE

The main challenge for the concrete-industry is the production of cement

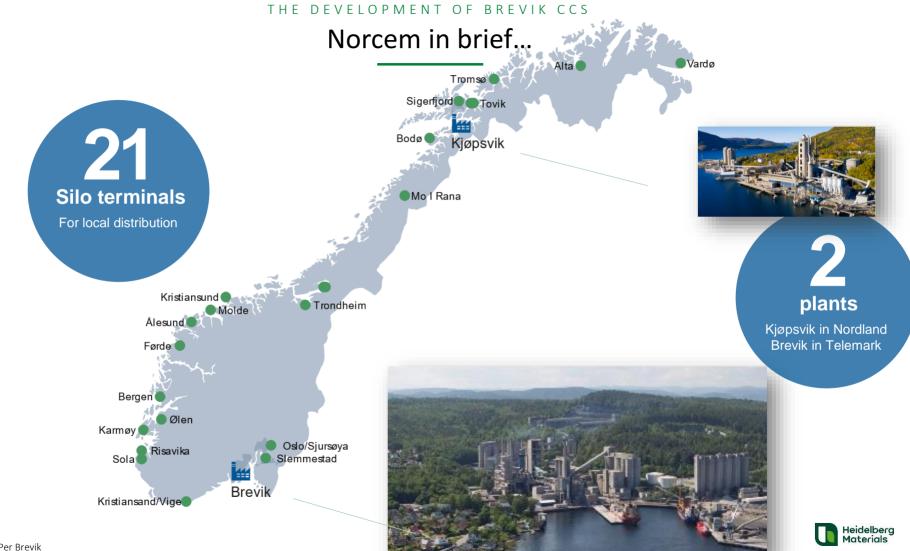
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□ 2 Gt CO2 / year

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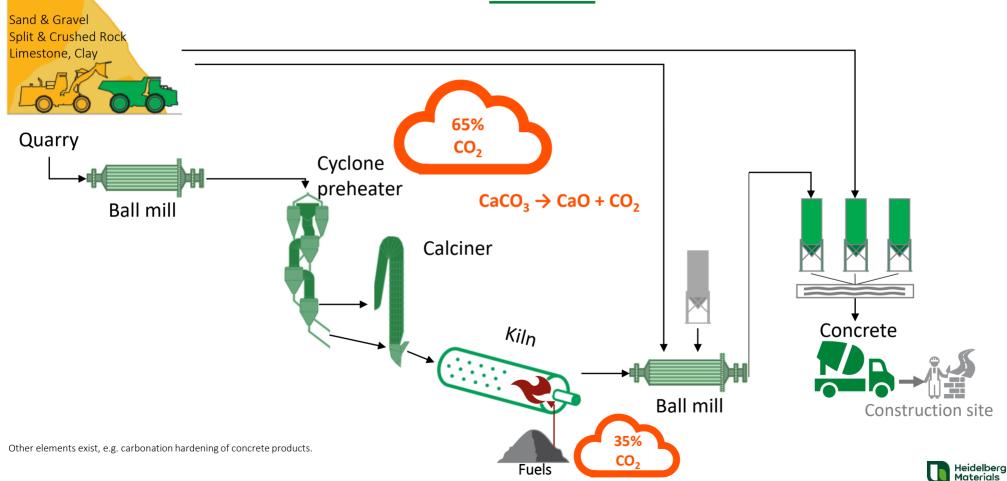
- THE PART

□ 6 – 8 % of the total CO2-emmissions



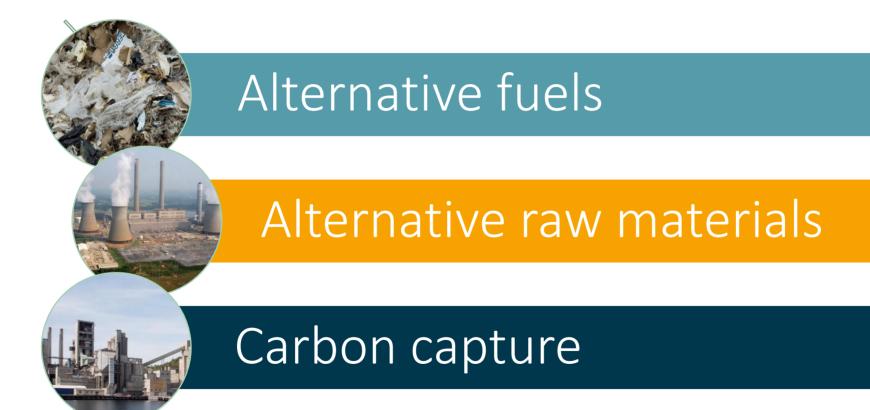
CEMENT, CONCRETE AND CO₂

Cement represent 6 – 8% of total CO₂ emissions; 2/3 from the production process



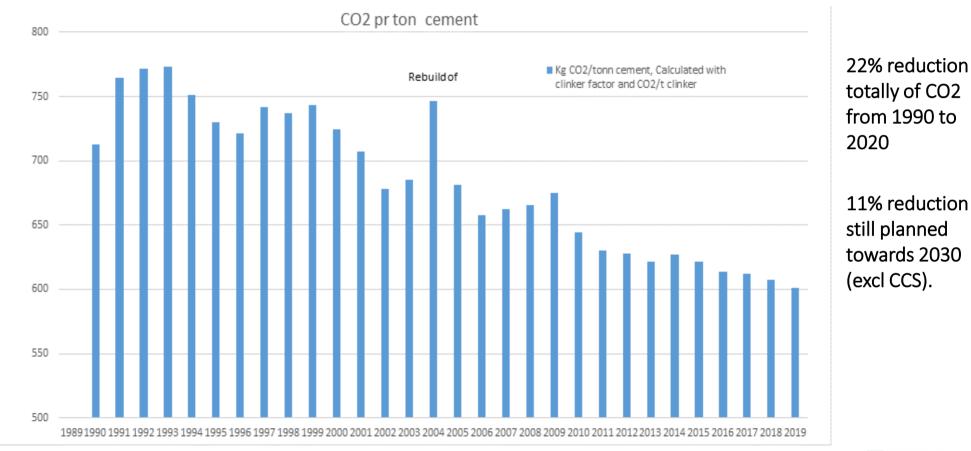
1) In addition: kiln efficiency, green hydrogen fuel, electrification of kilns.

Climate actions in the cement industry





CO₂-reduction Brevik 1990 - 2020





CCS in Norcem



- First internal desk studies in co-operation with Regional Technical college. R&D-project.
- Received 2010 economic support (100 k€) from ECRA to develop an application for Gassnova funding
- The test-project 2013 17 key for developing carbon capture at Norcem Brevik. The project is still the basis for our work. First results presented at the CCS-seminar in Langesund in May 2015.
- From 2015 part of Norwegian Carbon capture Development project (Feasibility, Concept and FEED studies)
- Longship launched 21 September 2020



Testing four capture technologies in Brevik 2013 - 2017

Aker Solutions amine technology – TRL 9



Air Products/ NTNU membrane technology - TRL 5



RTI solid sorbent technology – TRL 4



Testing of four capture technologies on real flue gas Conclusions

- 1. Technologies are available
- 2. Dependent on economic support
- 3. In the 2020 perspective, Aker Solutions' amine technology was the only one ready for a full-scale realization

Alstom Power Calcium Looping – TRL 3





«Langskip» - the biggest climate project in Norwegian industry

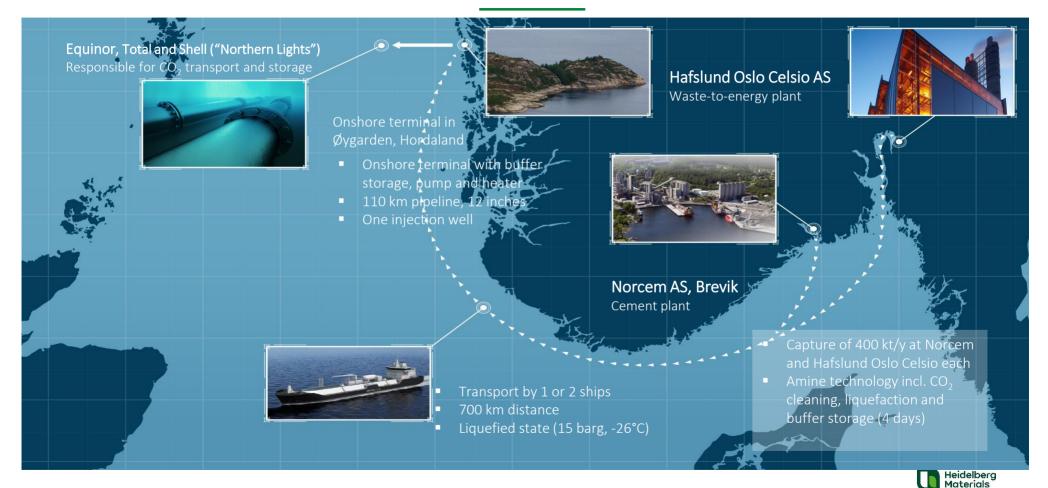
«Langskip» launched 21 Sept. 2020

- Full-scale capture at Norcem Brevik
- Conditional support to FOV
- Northern Lights responsible for:
 - Transport
 - Intermediate storage at Øygarden outside Bergen
- → Total cost 2,5 B€ incl 10 year of operation
- Government's part: 1,7 B€
- → Approval in Parliament 14 Dec. 2020
- → Started 4 January 2021





Longship today



CO₂ capture Brevik

Demonstration plant:

400.000 tons per year
✓ 55 tons CO₂ per hour
✓ 50% capture rate

Simultaneously building a new factory whilst maintaining full operational capacity in the current plant

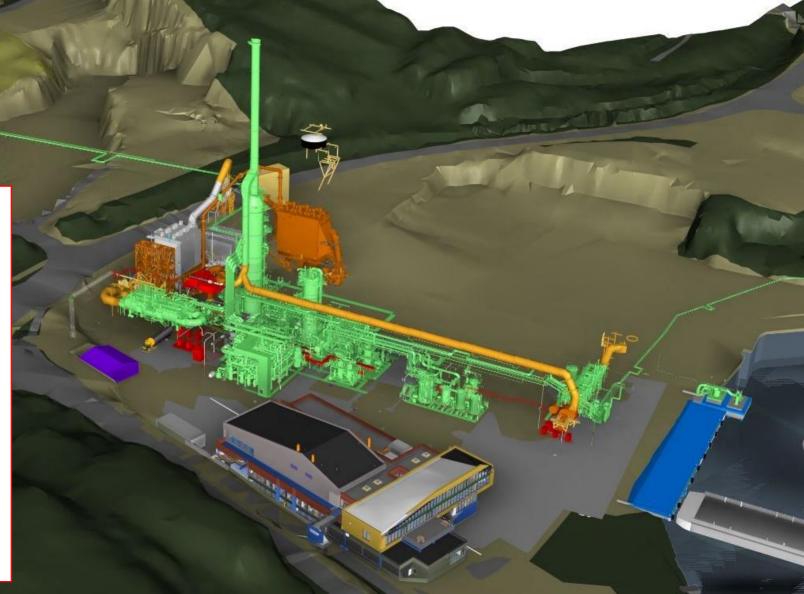
Installation of WHRU's started in May 2022.

The remaining of the CCS plant (all the green) will be installed in 2023.

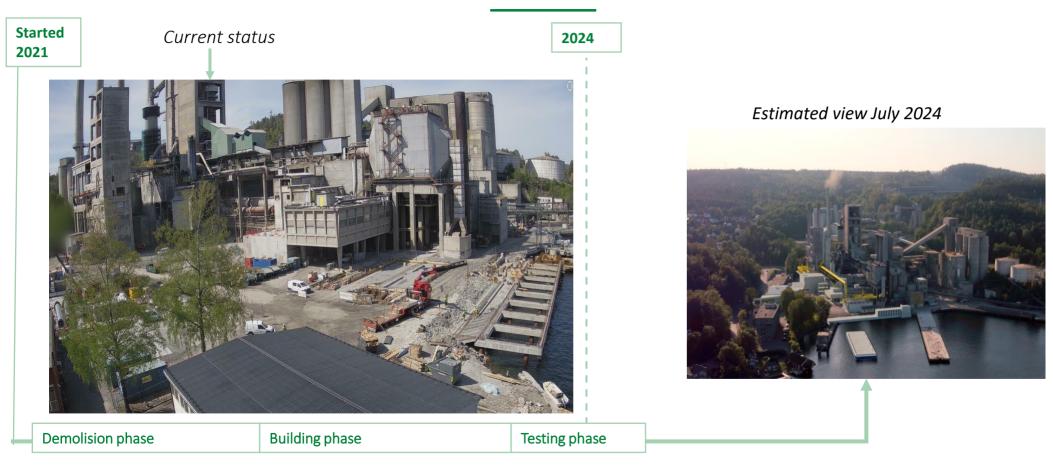
Contractual Mechanical Completion 15th of Feb 2024

First ship load 1st of July 2024

Acceptance test 31st of August 2024



We have started the journey towards 2024







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First WHRU arriving during night ...

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The project will emerge the next year

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Mostly according to plan ...

Schedule

- On track to load the first CCS ship summer 2024
- Mechanical complete Feb.-24
- Commissioning will be tight and challenging

Challenges/Risks

- Ground works more challenging than assumed
- Price development for the fabrication contract
- Covid-19
- War in Ukraine

Cost control

- We announced an overrun in Oct-21 (Baseline 01). Second baseline showed reduced costs and lower risks.
- Ongoing process with Ministry regarding funding of the overrun





Public interest is high / Many prominent guests

Stakeholders

- Government / Ministry / Politicians
- EU / EEA
- Norcem/HeidelbergCement
- Academia R&D
- Neighbours/Community

Huge responsibility

- «Norwegian tax payers' money»
- "Open door"-policy
- Public procurement

Benefits realization

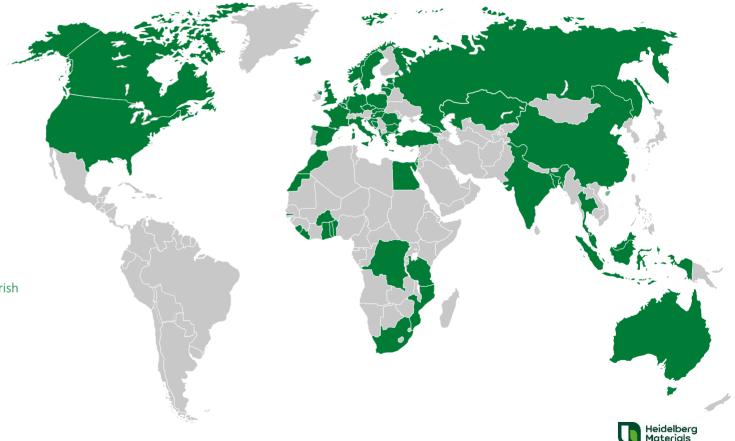
- Responsibility as a big emitter
- Control regarding progress and costs
- «Lessons learnt» sharing experiences for contribute to further CCS deployment



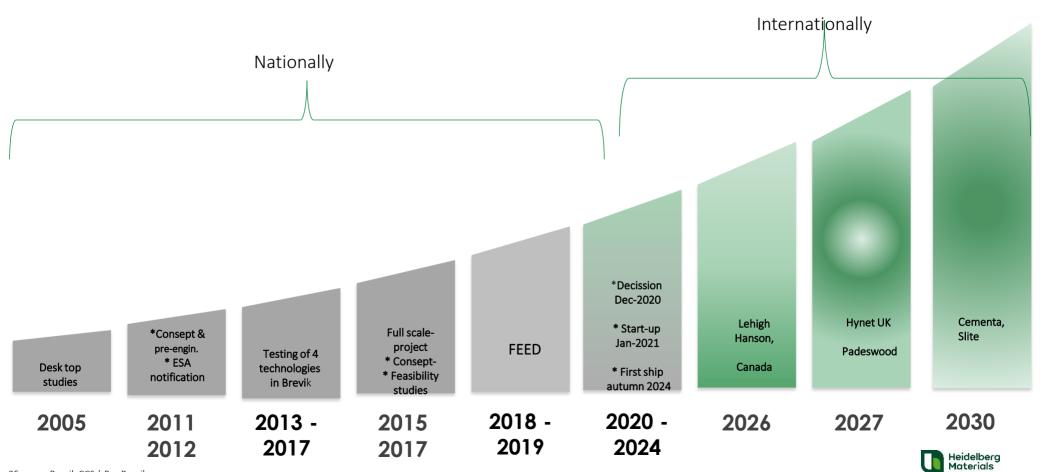
HC aims to be the frontrunner for further deployment of CC in the cement industry

"Construction markets are now embracing sustainability, and we are leading this change"

2022 Capital Markets Day – 24 May Jon Morrish Member of the Managing Board

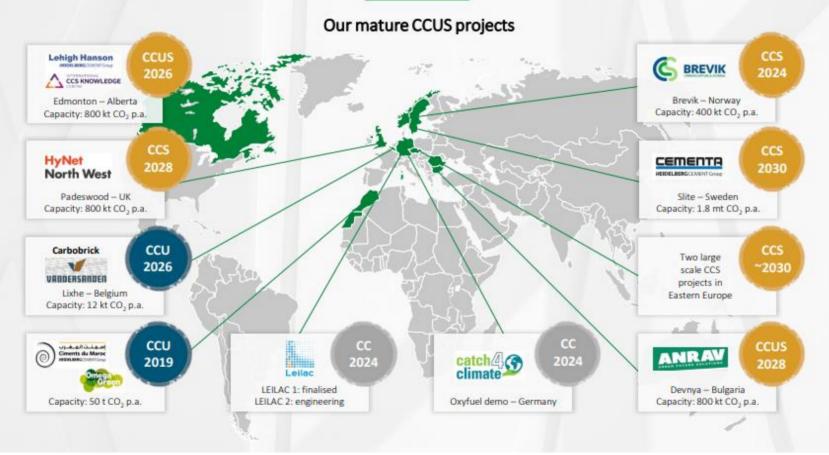


Brevik taking the lead; now "the ball is rolling"...



WE DRIVE DEEP DECARBONISATION

Driving CCUS with extensive and most advanced project portfolio in the sector





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Changing the future starts today!