

The Future of Energy

Growth Investing in a Low Carbon World

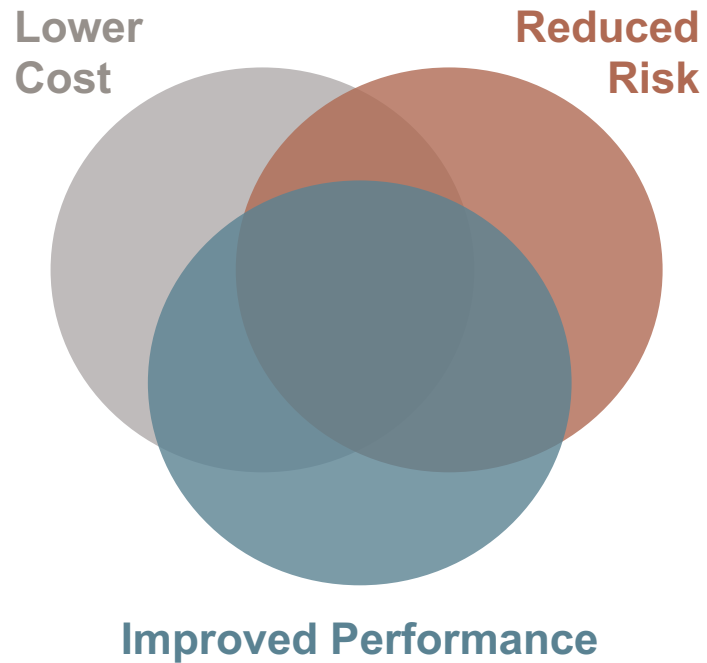
Climate Integration seminar
Oslo 29th November 2019



EV

Private Equity

18 years of Differentiated Energy Services Investments



2002 year of establishment

7 funds, \$1bn raised

2.7x realized return on growth investments

57 primary investments

23 current portfolio companies

Carbon Pricing Impact on Firms & Portfolios

Backdrop - The Energy Transition

IEA
EIA
DNVGL
McKinsey
Bain
PWC
Deloitte
Equinor
Shell
BP
Statkraft
Vattenfall
etc

Global Energy Scenarios

- Developed by different stakeholders with different vested interest
- Advanced Supply-Demand driven modelling of
 - Population & economic development
 - Geopolitics
 - Energy and Climate policies
 - Technological development
- Matched with Climate models and targets

Yes, The Energy Transition is happening!
But, with large projected variances in how & when

Even in the "SUB 2 Deg C" scenarios Oil & Gas poised to
be a significant part of the Energy Mix for decades



- ❖ Energy producers held accountable for their direct emissions
 - ❖ Consumers held accountable for emissions arising from combustion
-

Oil & Gas producers response

- Lowering the carbon footprint of operations
- Reducing total direct cost of production
- Transitioning to energy companies

1

2

3

(Market) Energy consumers response

- Reducing fossil fuel demand
- Switching to lower carbon or clean energy sources
- Developing & adopting resource & energy efficient solutions

“Look to Norway” - CO2 tax implemented in 1991

- Successful implementation of key CO2 combating technologies & strategies in oil & gas production
 - ✓ Flaring reductions
 - ✓ Electrification
 - ✓ CO2 reinjection
 - ✓ Digitalization
 - ✓ etc
- Carbon Capture & Storage (industrial scale R&D)
 - Includes Scope 3 emissions
 - Storage in OFFSHORE reservoir rocks

50% less Carbon Footprint than the global average

Potential to make Norway NET Zero, and offtake international captured CO2



A Sustainable Barrel ?

CHALLENGE

Oil & Gas poised to be a significant part of the Energy Mix for decades
GHG emissions need to be dramatically reduced



?



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< 2°C warming

SOLUTION

Energy Industry must accelerate adoption of Impact based strategies → **TECHNOLOGY is KEY**
Carbon Tax must be implemented on a broader and global scale

Climate & ESG Impact on EV Private Equity

Conviction



Energy Transition must be
accelerated

EVPE can contribute



Sustainability drives value



Top-line growth



Cost reductions



Regulatory and legal benefits



Productivity uplift



Access to capital

Example: Combatting Methane Leakage & Spills

Securing Safe operations of critical Energy Infrastructure

Halfwave AS

- 2012 Spin out from DNV GL
- Proprietary Asset integrity technology
- Applicable to multiple industry verticals
- Norway HQ'd, global roll out

Methane emissions reductions

The UN Methane Guiding Principles focus on priority areas for action towards the reduction of methane emissions across the hydro carbon value chain .

Structural Asset Integrity

In order to fulfil UN SDG 7, the Energy Infrastructure must be safe and reliable

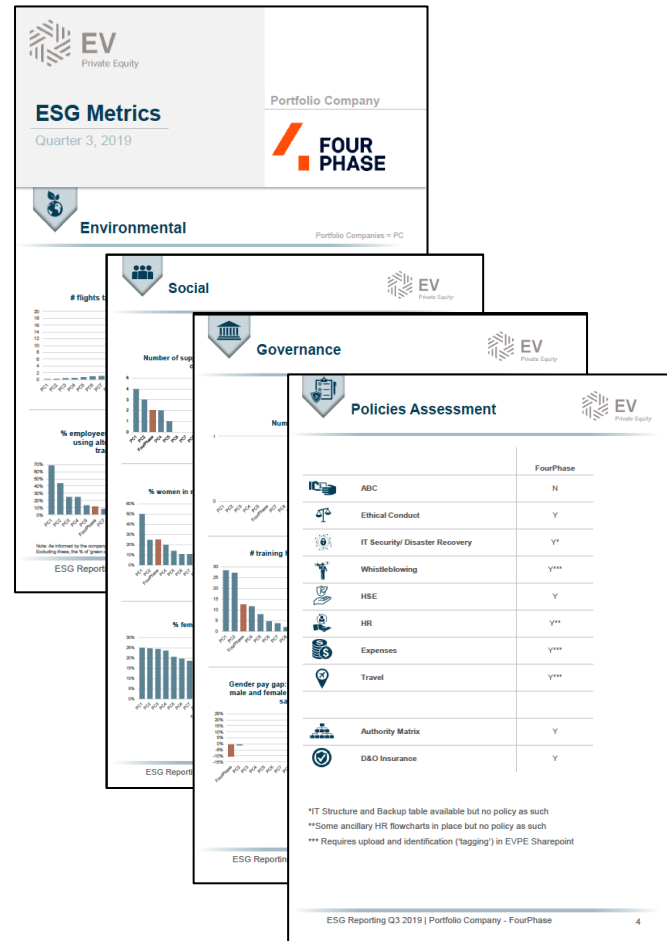


Documenting Sustainability & Impact

Measurement & reporting standards evolving

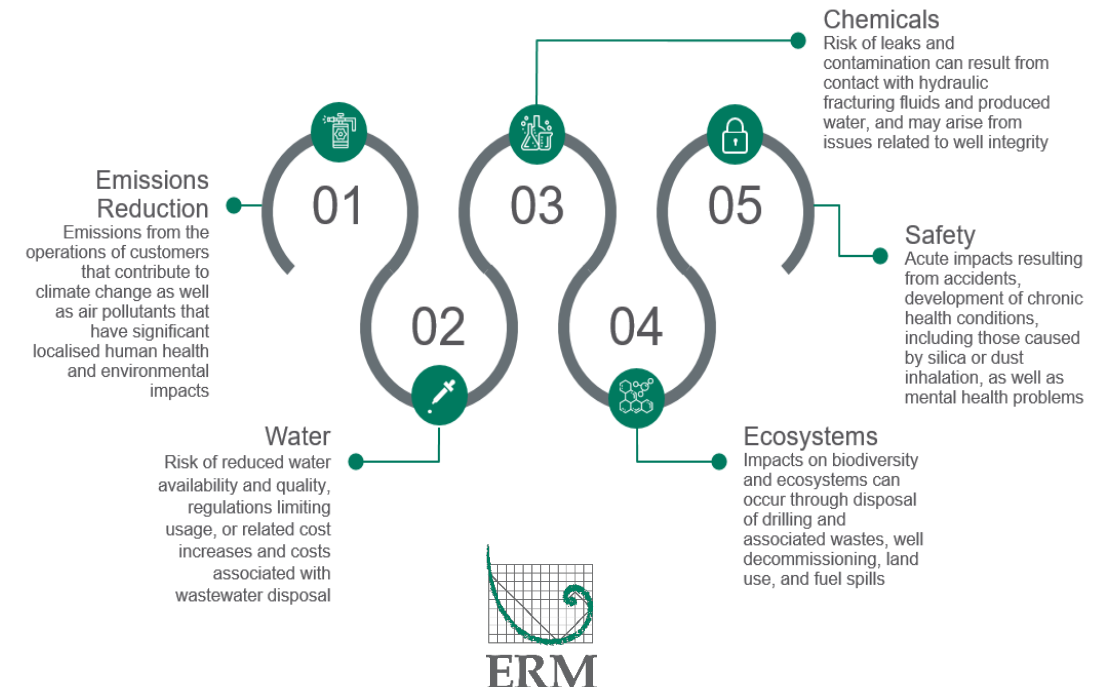


Quarterly ESG reporting



Annual 3rd party assessment of each Portfolio company's Sustainability Impact on operations

- Internal
- External (for clients)



Differentiated Technology Enabled Growth Investments

- Investing in the global ENERGY SERVICES market



- Contributing with MEASURABLE IMPACT

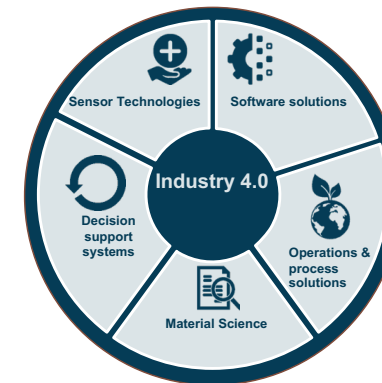
< 2°C warming



- Committed to high ESG standards & ambitions



- Building on our TRACK RECORD





Thank you
from EV Private Equity