BREAK-OUT SESSION

Winning Business Models for CCUS: From Risk to Bankability

Implement Consulting Group

March 2026

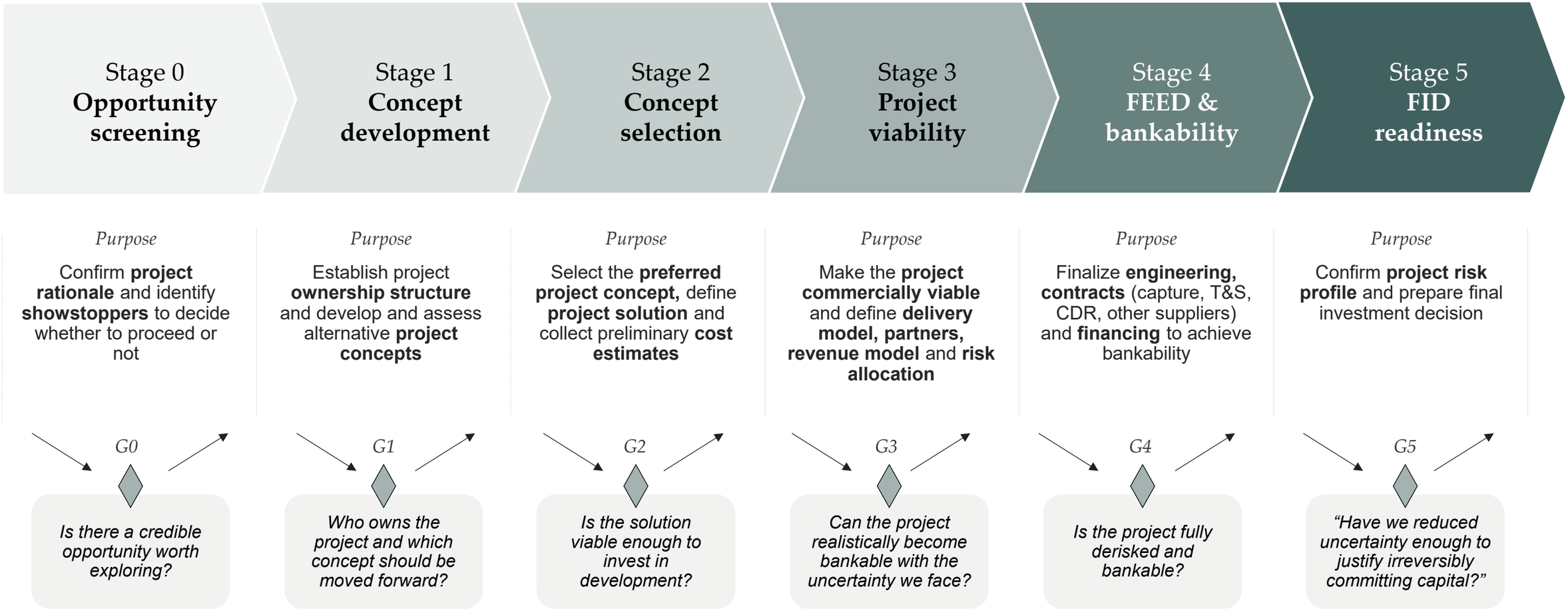
Agenda

1. **Stage-gate model, Reverse Auction and how to minimize DEVEX**
2. **Group exercise**
3. **Voice back and wrap-up**

How do we develop CCS projects?

The stage gate model ensures capital is only committed when project risk and uncertainty are progressively reduced

Our stage-gate model from concept to FID



Source: The Implement stage-gate model

What are the conditions to pass the gates?

Each decision gate safeguards that the project progresses with timely decision-making, avoiding the sunk cost bias

G0 **Invest or walk-away**	G1 **Commit sponsors and select project concepts**	G2 **Commit project solution**	G3 **Approve project viability**	G4 **Approve risk profile and bankability**	G5 **Commit capital (FID)**
*"Is there a **credible opportunity** worth exploring?"*	*"Who **owns the project** and which **concept** should be moved forward?"*	*"Is the **solution viable** enough **to invest** in development?"*	*"Can the project **realistically become bankable** with the uncertainty we face?"*	*"Is the project **fully derisked and bankable**?"*	*"Have we **reduced uncertainty** enough to justify irreversibly committing capital?"*

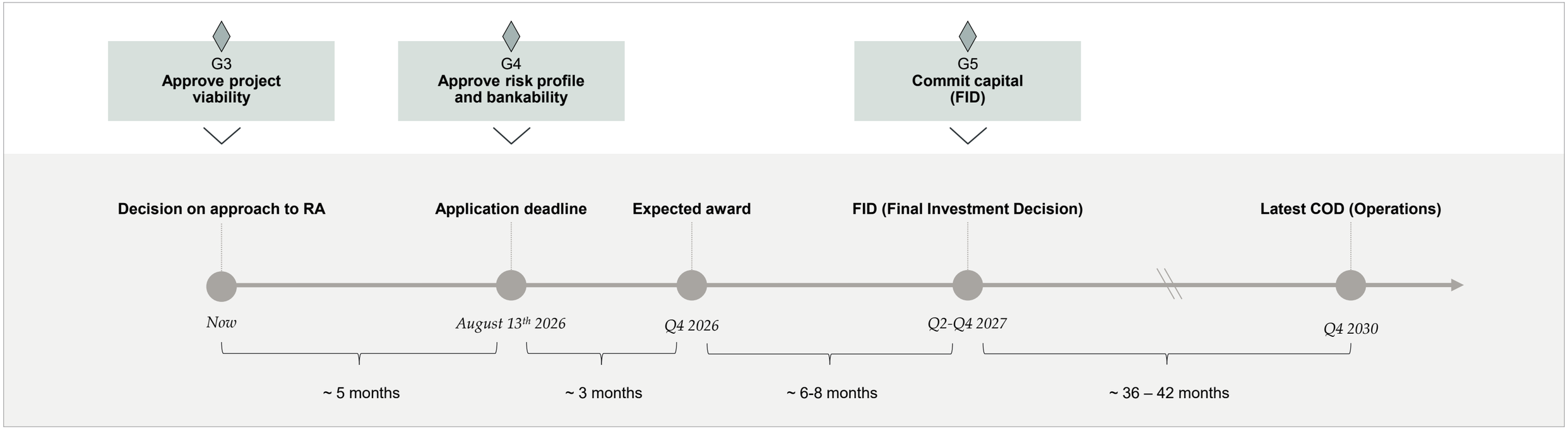
Conditions to pass the decision gates

G0	G1	G2	G3	G4	G5
✓ There is a credible line of sight to permits, site access, and utilities ✓ A plausible revenue stack exists (market, subsidies, offtake, contracts) ✓ Strategic rationale justifies further capital at risk with existing project portfolio	✓ Project sponsors are defined and have authority, accountability, and economic exposure ✓ Governance enables timely decisions under uncertainty ✓ Ownership structure and risk allocation aligns with value creation	✓ The preferred concept is technically and regulatorily viable ✓ FOAK risks identified, bounded, and mitigatable ✓ No critical assumption lacks an evidence-backed mitigation path ✓ Cost estimates and schedule within an acceptable uncertainty range ✓ Potential internal showstoppers identified	✓ Delivery model aligns with the project's risk profile ✓ Risks retained vs. transferred are intentional and priced ✓ Supplier market is capable and incentivized to perform ✓ Preliminary financing structure is credible	✓ Commercial structure allocates risks to the parties best able to manage them ✓ Cost estimate accuracy within bankable range ✓ Key commercial agreements are aligned (offtake, T&S, capture, guarantees) ✓ Lenders' due diligence concerns are addressable ✓ Governance and operating model ready for execution	✓ Final contracts negotiated ✓ Residual risks are either mitigated or explicitly priced ✓ Base case remains robust under downside scenarios ✓ Exit, contingency, and value-protection mechanisms are in place ✓ Internal considerations and frame conditions clarified and potential showstoppers mitigated

Source: The Implement stage-gate model

For CCS projects approaching FID the development resources (DevEx) at risk can be overwhelming and must be managed carefully

Timeline to Final Investment Decision



NATURE OF COST	Development Expenditure (DevEx)	Capital Expenditure (CapEx)
DE-RISKING TOPIC	What do we need to lock?	What can we leave open?

Source: The Implement stage-gate model, https://www.energimyndigheten.se/utlysningar/investerings--och-driftstod-for-bio-ccs-genom-omvand-auktion/

CCS projects are complex in nature, triggering a range of activities, so an early focus on how to prioritize activities, manage and reduce DevEx is needed

Levers to *manage* and *reduce* DevEx

Avoid

- **Use existing market solutions where they fit**. Avoid engineering custom solutions when a proven market solution already exists.
- **Apply existing standards and frameworks**. Do not create new standards if established ones already work for CCS, such as resilience, NIS2, GDPR, QHSE, ESG, and similar requirements.
- **Rely on existing expertise in the market.** Avoid building deep in-house expert knowledge on every topic if the required CCUS competence is already available externally.
- **Limit unnecessary dialogue and analysis**. Be open-minded and curious but avoid spending time on discussions that do not support the project strategy or timeline.
- **Avoid excessive interfaces and multi-contracting**. Keep the contracting model as simple as possible and think EPC where appropriate.

Postpone

- **Agree on principles first, not detail**. Prepare heads of terms and agree on business principles now; detail and execute the agreements later.
- **Use capped MoUs and FEED-lite deliverables**. Replace binding commitments with capped memoranda of understanding and limited FEED deliverables that only freeze long-lead specifications.
- **Keep secondary sourcing open.** Source secondary suppliers and non-critical scope in mature markets where competition and delivery capacity are available.
- **Leave future-relevant details open**. If something is only relevant later, agree on the business principle now rather than the detailed specification.
- **Defer detailed engineering**. Do not complete detailed engineering unless it is needed at this stage; leave details open until later.

Share

- **Run joint studies and activities.** Specify joint studies and activities with similar projects wherever possible.
- **Build knowledge partnerships**. Establish partnerships that bring value through knowledge, experience, and competence.
- **Form business partnerships.** Establish business partnerships that share risk and DevEx across all or parts of the project scope.
- **Use full value-chain or single-stream partners**. Include financial investors who share DevEx and CapEx proportionally if there is no FID or COD.
- **Seek government co-funding for DevEx.** Request targeted government support to share development costs when justified.

There are strong arguments for partnering – but also reasons to hesitate

Share

Partnering is the obvious choice because it gives you…

- Specialised competences
- Economies of scale (e.g. in procurement)
- DEVEX and CAPEX funding
- Risk sharing
- Mature project development organisation
- Sanity check of your strategy

Partnering is high risk because…

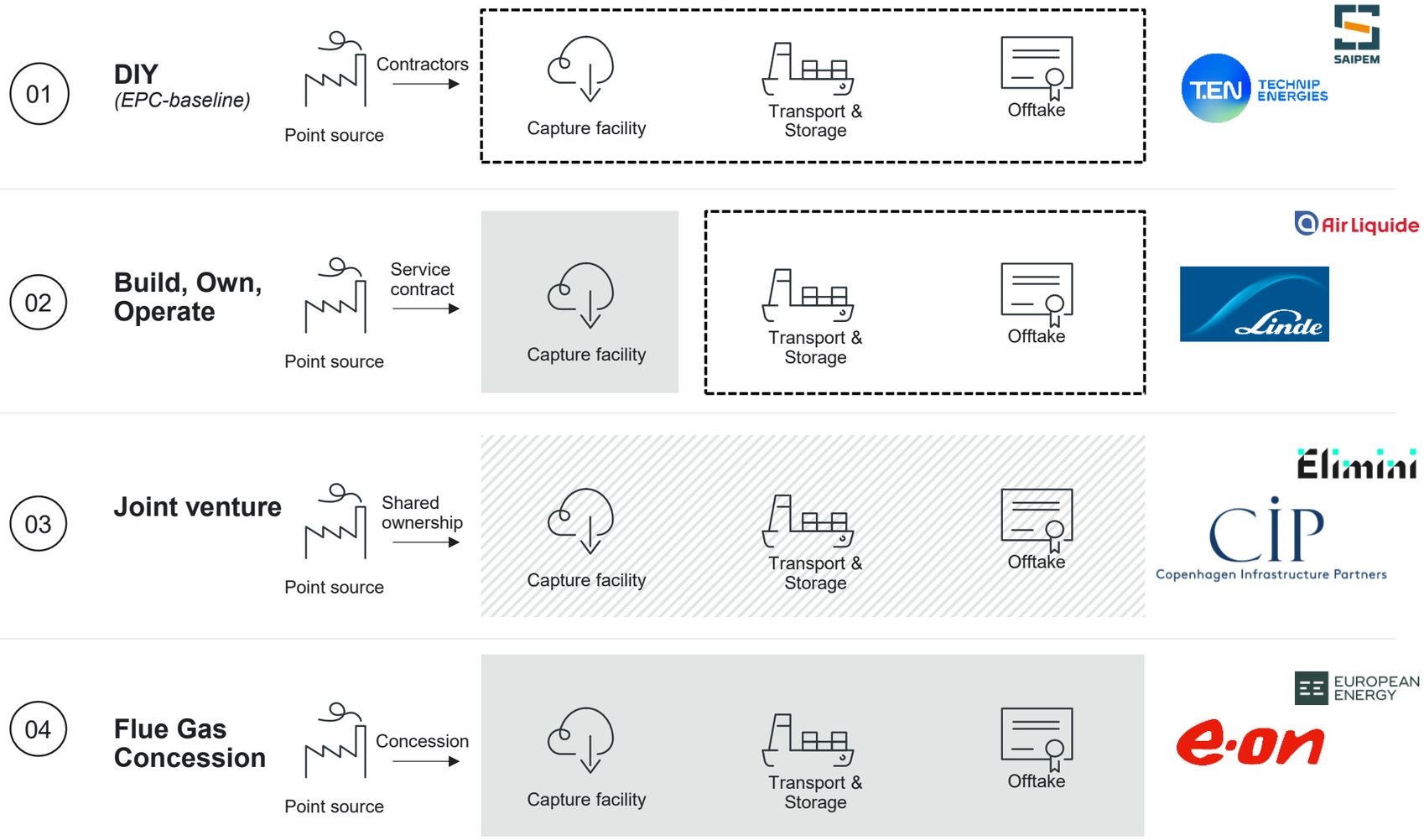
- High dependency on one external entity
- You must lock in before you know the solution (including the cost)
- Limited selection of experienced partners
- Long-term constraints on your core business
- The strategic and financial logic of the partner may not align with your own

By developing your CCUS project through a partnership you can share risk and get access to competences you don't possess

Share

Examples of partnership options

ILLUSTRATIVE



Point source Outsourcing-partner Joint-venture

Key market characteristics

- Few partners with real experience and track record
- Partnership and commercial models are developed from clean sheet of paper (almost)
- Partner archetypes can be technical, financial or project developer

Strategic dilemmas

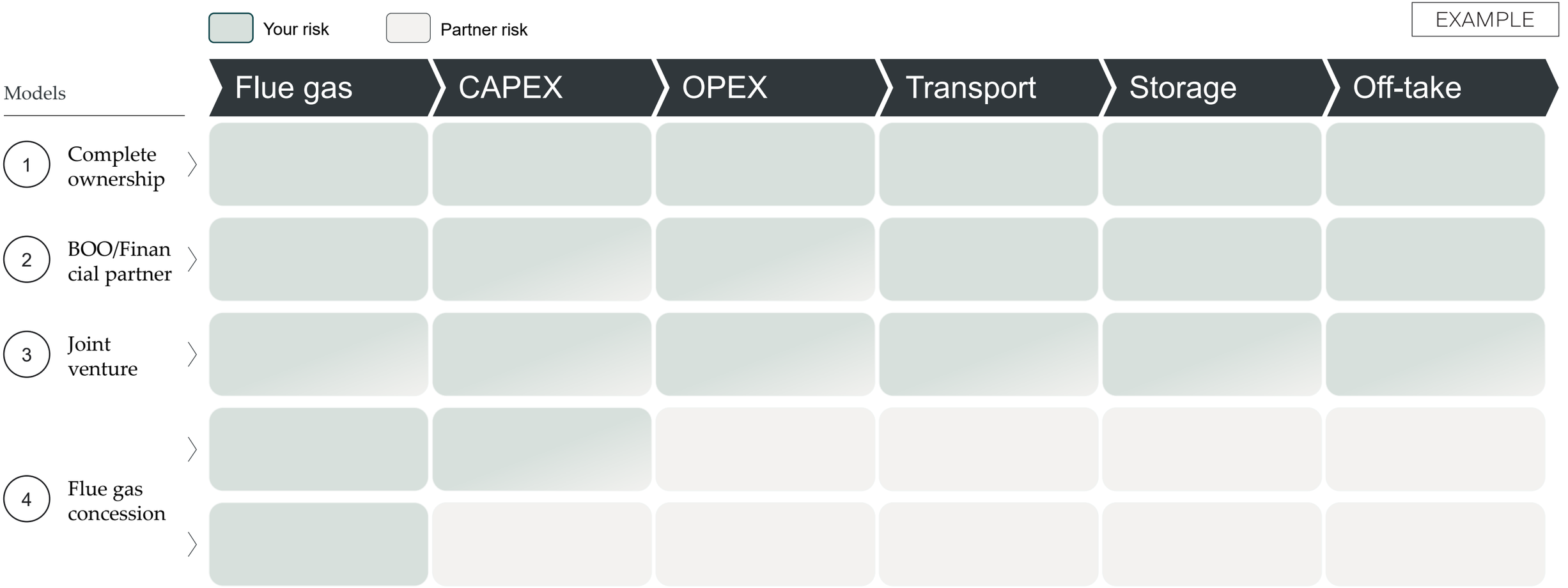
1. Balancing risk and autonomy – including for core business
2. Lock-in before solution is developed
3. Procurement law limitations

The allocation of risk between the parties varies across the value chain activities depending on the chosen model

Share

Risk distribution across the value chain activities

EXAMPLE

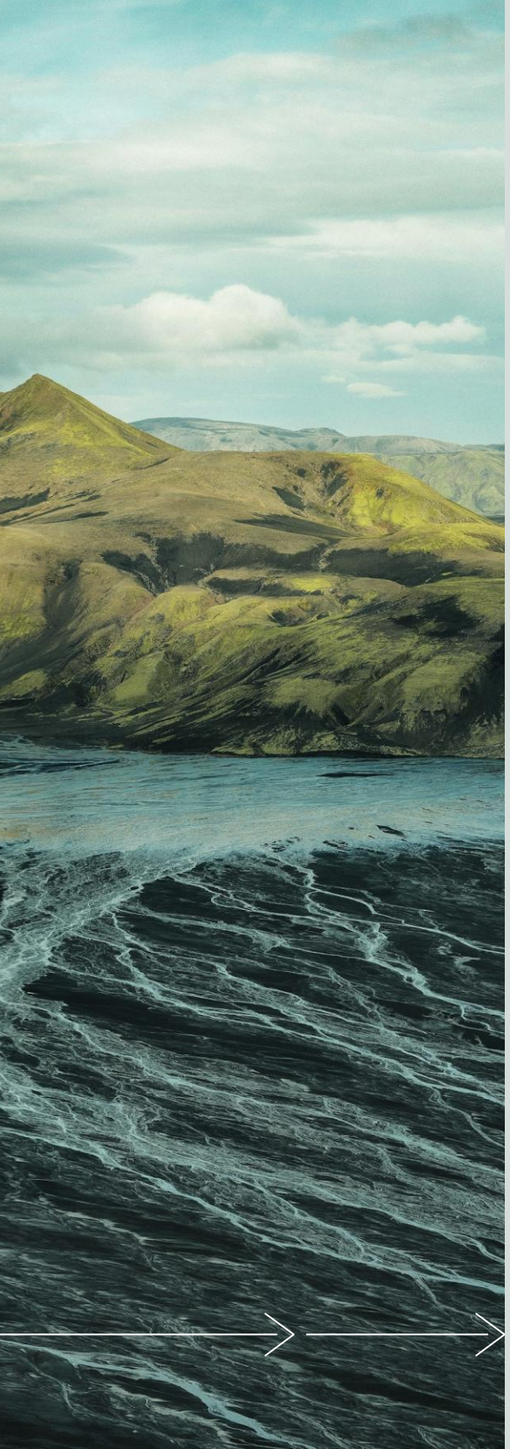


GROUP WORK

TIME TO GET ACTIVE

Explore how CCS projects can reach Reverse Auction and Final Investment Decision (FID) more efficiently by:

- ✓ *Identifying activities that are truly critical vs. unnecessary before bidding*
- ✓ *Understanding how partnerships can reduce development risk and cost*
- ✓ *Sharing practical experiences from ongoing CCS projects*



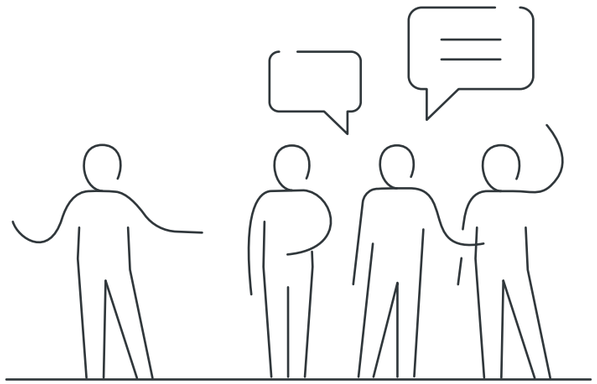
HOW THE BREAKOUT WILL WORK

- Participants divided into 2 themes
  - Theme 1: Avoid / Postpone activities
  - Theme 2: Partnerships to share risk & cost
- Work with your table group and answer the questions for the theme

At each table:

I. Discuss the questions provided
II. Register your notes on the index cards on the table (one color per question)

Breakout discussion: 20 minutes



THEME #1

AVOID / POSTPONE

What is truly necessary before Reverse Auction / FID?

20 MINUTES

STRUCTURE OF THE GROUP WORK

I. Assign a timekeeper
II. Discuss the questions below
III. Register your notes on the index cards on the table (one color per question)
IV. Once time is up – take your notes and put it on the wall where it belongs

DISCUSS

Imagine you are leading a CCS project facing:

- DEVEX constraints
- Timeline pressure
- Policy uncertainty

1. Which activities create **real decision confidence**?
2. If DEVEX budget was reduced by 30–40%:
   - What would you postpone?
   - What would you avoid?
3. What risks increase if these are postponed?

THEME #2

SHARE

How can partnerships improve project bankability?

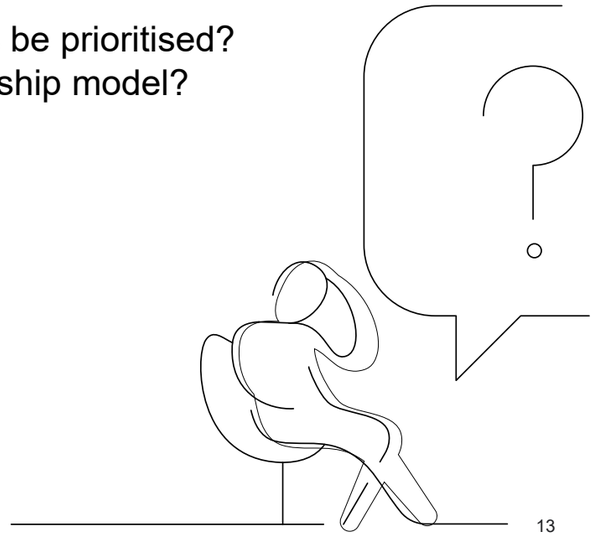
20 MINUTES

STRUCTURE OF THE GROUP WORK

I. Assign a timekeeper
II. Discuss the questions below
III. Register your notes on the index cards on the table (one color per question)
IV. Once time is up – take your notes and put it on the wall where it belongs

DISCUSS

1. Where in the value chain should partnerships be prioritised?
2. When in time should these partnerships be prioritised?
3. What defines a successful CCS partnership model?



Break-out session

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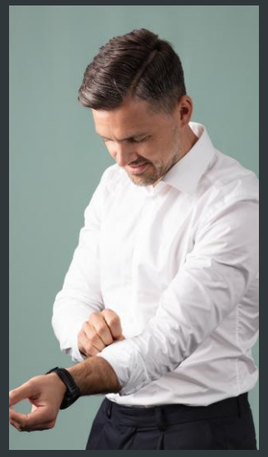

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You are invited.

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