Financing a greener and competitive energy sector

the Creon Energy Fund experience
OVERVIEW

1. Environmental Responsibility – opportunity and challenge for the gas industry
2. Russia’s energy sector and environmental protection – 5 major trends from 5 years
3. Ecological and commercial viability – no contradiction anymore
   • Investment Focus I: Green Technologies
   • Investment Focus II: Small-Scale LNG solutions & hydrocarbons
   • Investment Focus III: Clean logistics for the energy sector
4. Conclusion
1. “Green” matters for financial institutions, lenders and in M&A
   • Environmental protection and transparency part of AML & KYC processes
   • “Green bonds” market gains liquidity: Growing demand for all green investments

2. Customers and even strategic partners are forced to pay attention to “responsible sourcing”
   • Pressure by sanctions: Russian VINC need to become “ecology nerds”
   • Increasing political attention for origins of gas supplies

3. Public pressure in (western) destination companies: Eurasian hydrocarbon must improve their image, especially gas producers
   • Western NGO’s and media remain skeptical of oil and gas supplies from Russia

HOWEVER, it is not too late to respond the challenge without losing markets and margins
RUSSIA’S ENERGY SECTOR AND ENVIRONMENTAL PROTECTION – 5 TRENDS FROM 5 YEARS (I)

2013
Creon Group and WWF initiate transparency rating of Russian oil and gas companies in terms of environmental responsibility

2014
Rating was perceived as an instrument to blame Russian oil and gas companies; low response on requests for information

2017
All oil and gas companies provide data; rating presentation in Germany became a platform to discuss positive developments and best-practice

2018
Creon Energy Fund starts to invest in projects improving the environmental footprint of Russia’s energy sector

2019
Russian Duma adopts a law stating that all companies must report on environmental sustainability

Russian oil and gas companies improved their Environmental responsibility and its time to show it!
| Trend 1 | Companies report more and more detailed on ecological topics | PR to be improved |
| Trend 2 | Processing of Associated Petroleum Gas (APG) increased by 20% 2014-2018, but stagnates | Requires green technologies |
| Trend 3 | Eurasian oil and gas companies modernize their production | Requires Engineering, local content |
| Trend 4 | Growing number of waste utilization and renewable energy projects in Eurasia | Requires logistics, localization, greentech, engineering |
| Trend 5 | International companies are ready to finance green tech | Requires financing |
• Creon co-invests to increase environmental responsibility
• Commercial viability of “green” projects is proven in Eurasia
• We co-invest to develop clean technologies and infrastructure
INVESTMENT FOCUS I: GREEN TECHNOLOGY

- Investments in green technologies to be upscaled in Russia/CIS countries
- Localization of equipment for the oil and gas downstream industries
- Structuring investments via Luxembourg on behalf of partners
Creon invests to develop the growing ssLNG market, to which Russian producers supply.

**Large-scale LNG supplier**
- Exploration
- Liquefaction
- Transport/export of LNG to hubs worldwide

**Mid-scale LNG market**
- Regasification
- Trading
- Transport further "downstream"

**Small-scale LNG market**
- Truck fueling
- Bunkering
- Off-Grid Trading

**Supporting services**
- Floating
- Engineering
- Small-scale trading

Investment scope of Creon Energy Fund S.C.A. SICAV-SIF
• Project logistics specialists transports large-scale modules for gas processing plants such as Yamal LNG (Novatek)
• Creon Energy Fund S.C.A. SICAV-SIF invested with Investment Corporation of Dubai
• ISS GS may apply for the “Guinness Book of Records”: The world’s largest windmills have been transported through the largest ever distance (customer: General Electric)
• Growing market for project logistics in Eurasia provides tremendous growth potential
• JV ISS GS S.à.r.l. is part of a network of logistics corporation with more than 100 offices worldwide