

EavorTM

EU Innovation Fund Info Day Ljubljana

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I. Eavor

- Who we are
- What we do

II. EU Innovation Fund Experiences lessons learned from an applicant's point of view

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- Own resources
- Auditors and other external support
- The devil is in the details
- Documents supporting the application
- Binding financing commitments
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Eavor

Who we are



Who we are

Company has accomplished significant achievements since inception

- Founded 2017 in Calgary/Canada
- Technology company
- More than 80 employees
- Commercialization to start in Germany
- Funded by leading companies

Technical

- Eavor-Lite™ demonstration
- Eavor-Deep™ demonstration → Achieved bp technical milestone
- Construction at Eavor-Europe™ (Geretsried) → spud date July 2023, ongoing drilling
- Dispatchability algorithm tested and confirmed at Eavor-Lite™
- Insulated Drill Pipe (IDP) technology deployed at two independent USA locations

Commercial

- Eavor-Europe™ commercial project: **8 MW_e** **60 MW_{th}**
- Public/private partnerships and multiple JDAs
- NV Energy PPA: **20 MW_e**
- Eavor signs agreement for up to 200 MW in “GeoZone” California

Financial

- **\$315M+** private equity capital raised
- **€91.6M** European Commission grant
- **\$15M** in Canadian grants
- **€10M** Dutch heat grant

Select Partners



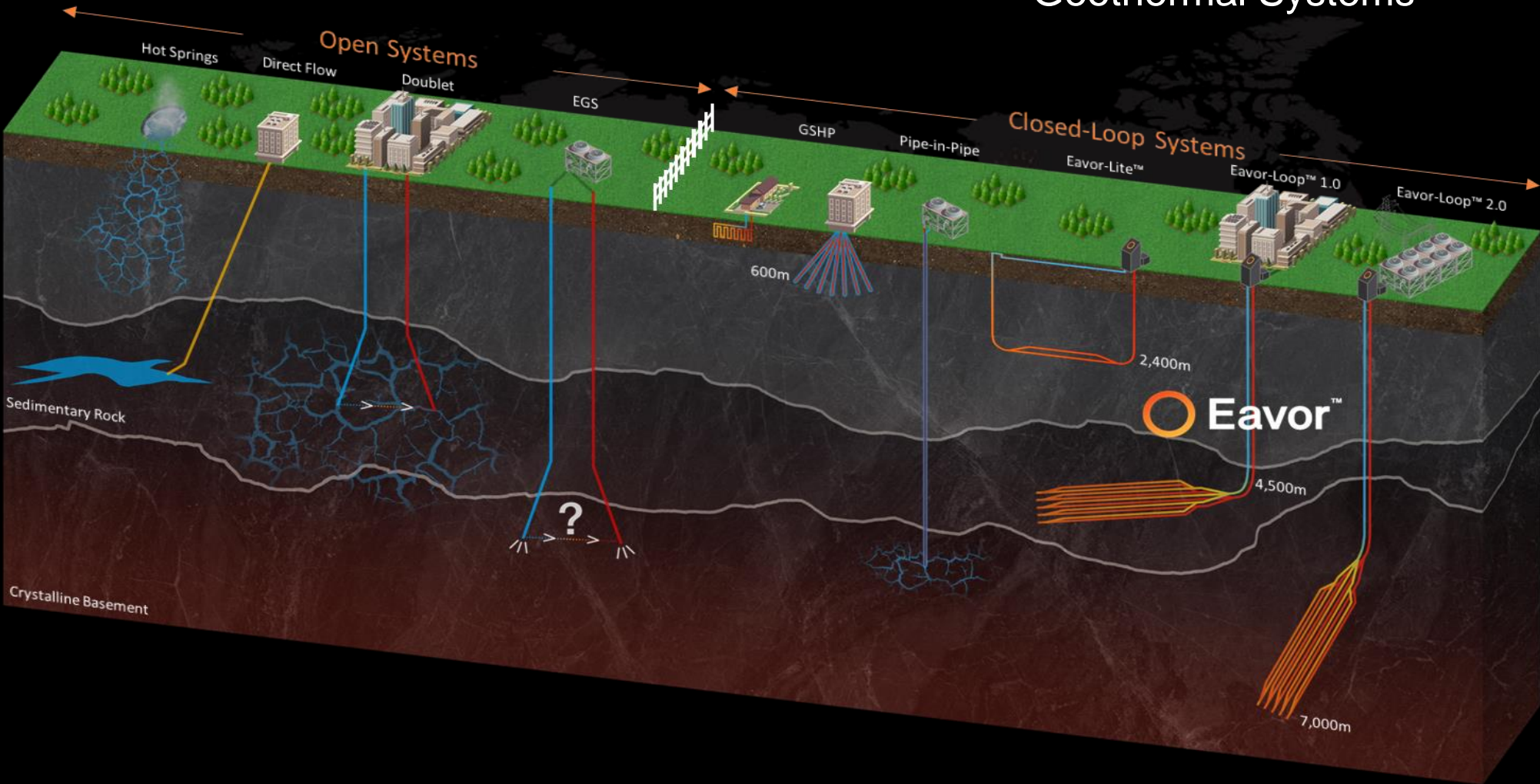
Eavor

What we do



What we do

Geothermal Systems

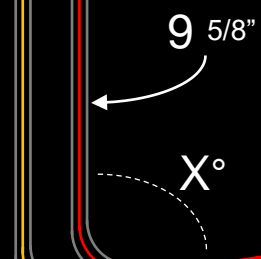


Eavor-Loop Overview

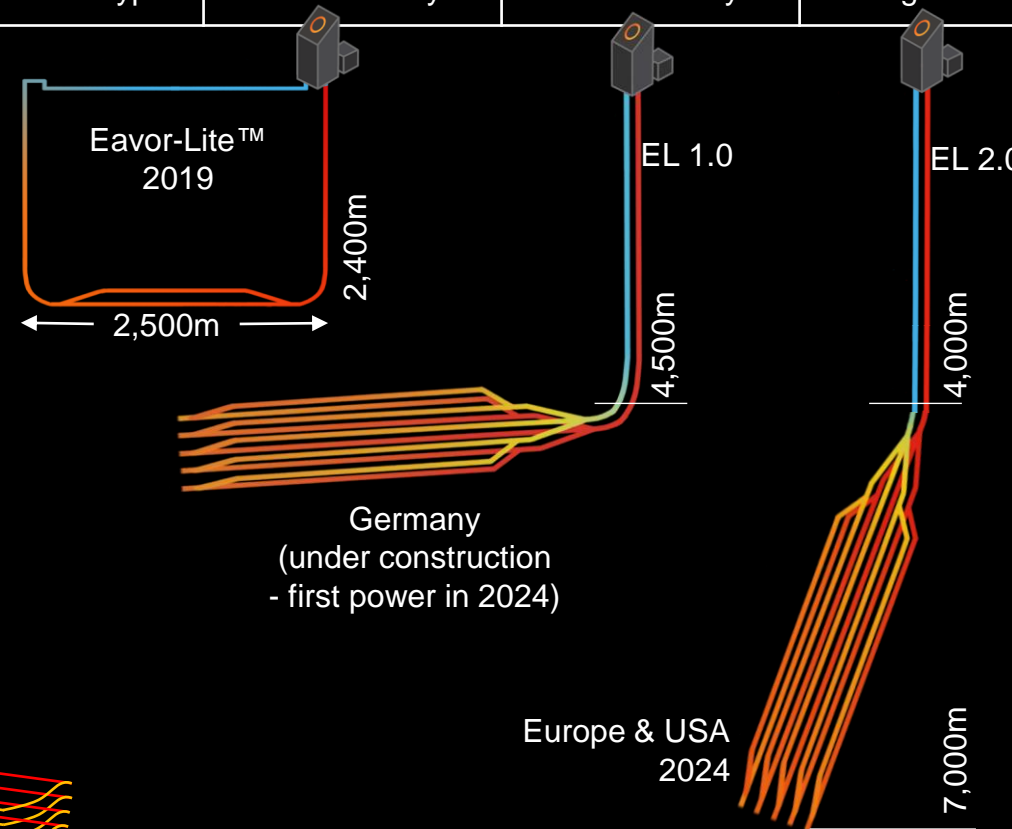


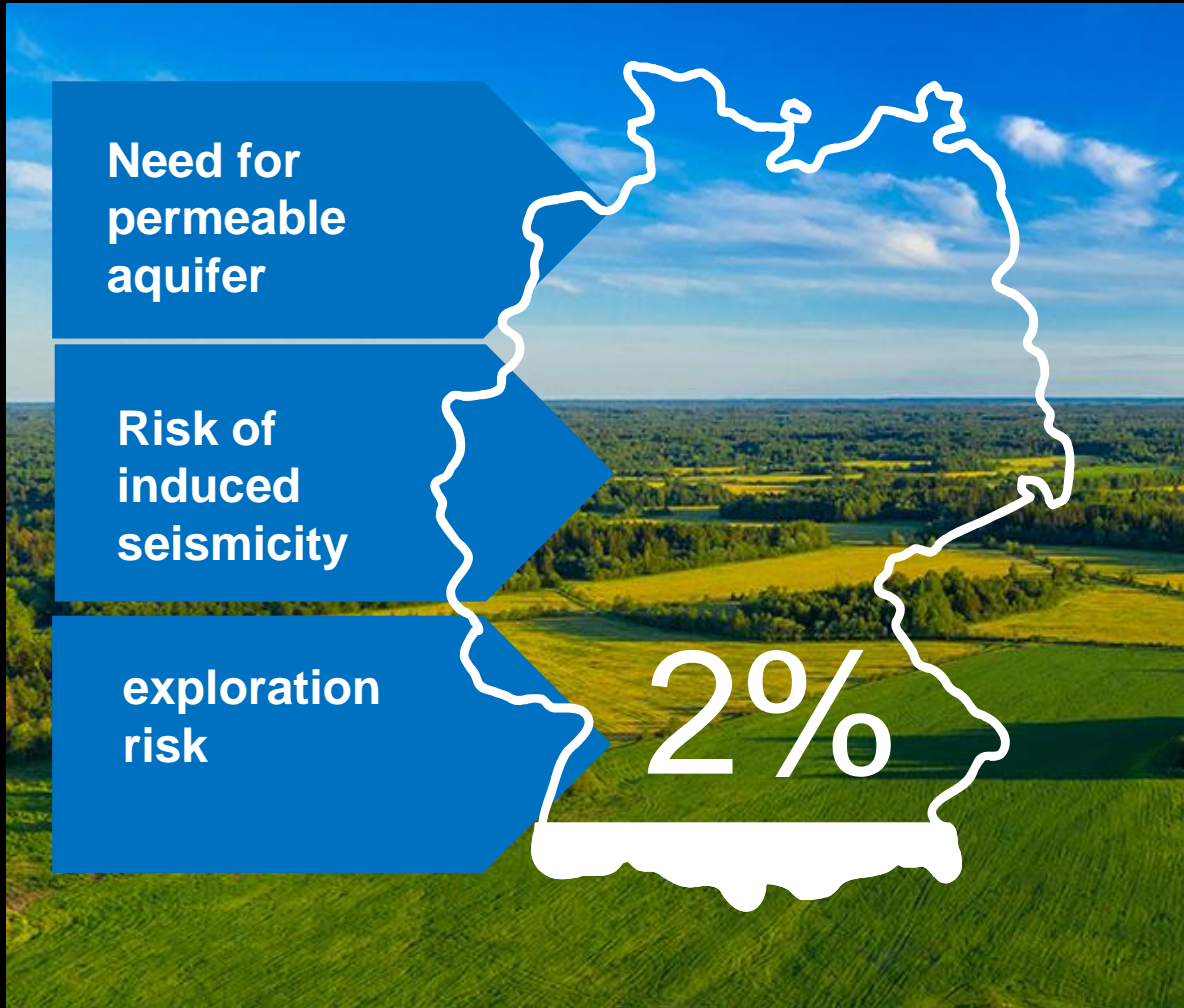
Closed System
No need for permeable aquifer
Driven by natural thermosiphon, no pumping required
No fracking required, no induced seismicity
No GHGs or CO ₂
Minimal continual water use, no brine production
OPEX is ~80% less than traditional geothermal
Low thermal output risk or uncertainty
Project cycle time 3 to 5 years
Baseload and Dispatchable

Parameter	Eavor-Lite™	Eavor-Loop 1.0	Eavor-Loop 2.0
Angle X	90°	90°	160° to 180°
Rock Type	Sedimentary	Sedimentary	Igneous

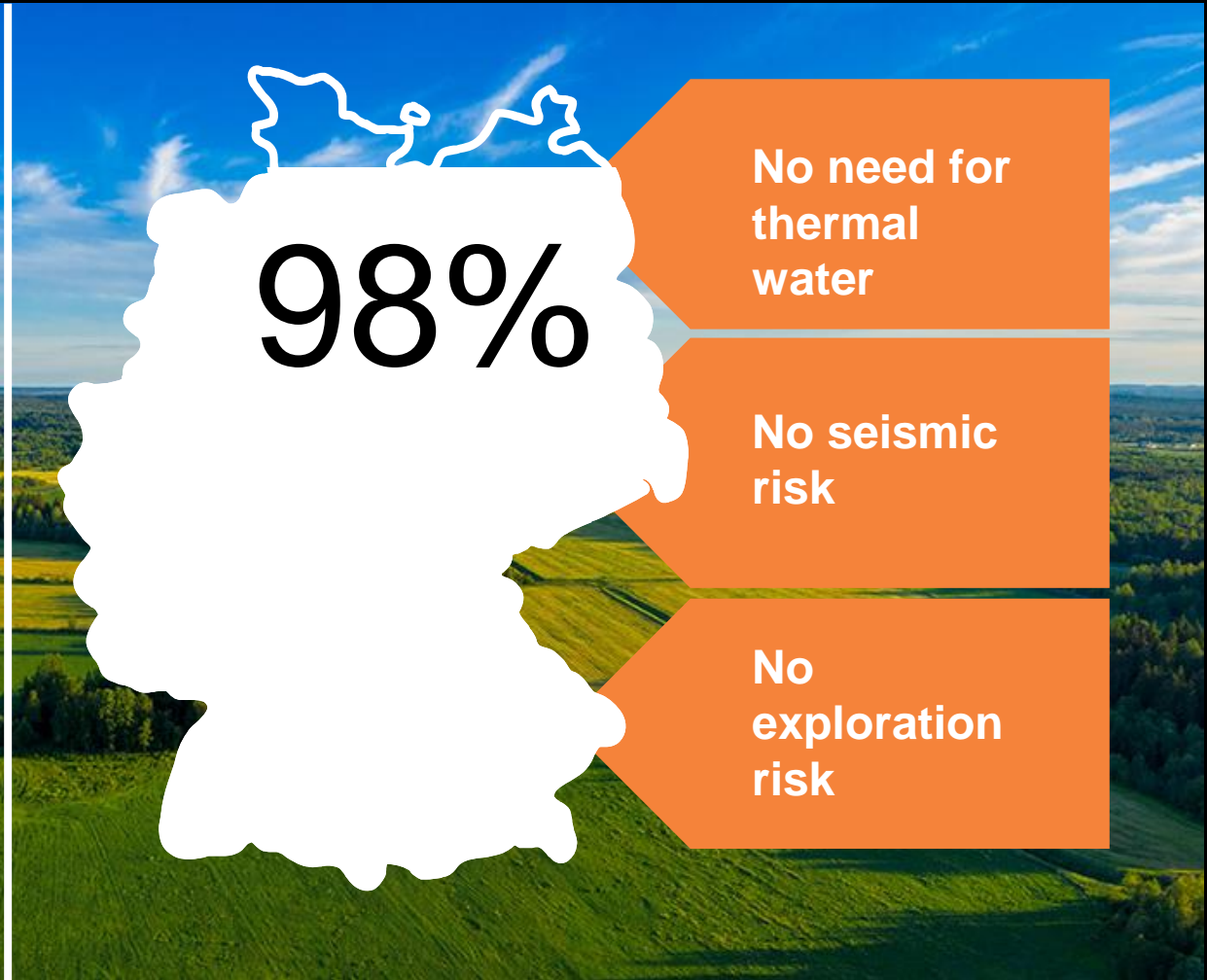


- Radiator Section
- 12 legs per vertical
 - 24 legs in total, connected in pairs





hydrothermal geothermal energy



Closed-Loop geothermal energy

Geretsried



European Union Innovation Fund (EUIF)

139 applications received by EU Commission

17 proposals selected for €1.8B funding

- Successful applicants include Shell, Lafarge, Air Liquide, etc. – large European corporations with the means to underwrite their respective projects

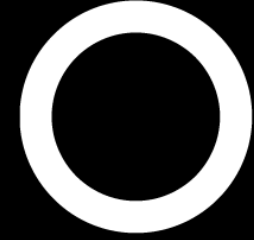
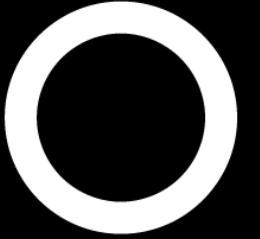
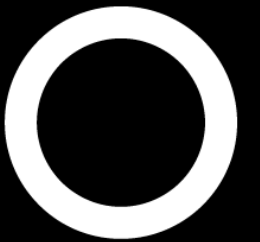
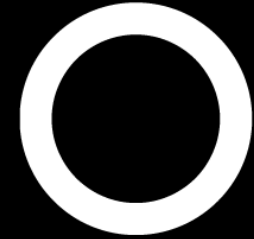
Eavor received € 91.6 million from the EU to commercialize the Geretsried project



EU Innovation Fund Experiences

lessons learned from an
applicant's point of view

General



General

- Our personal experience
- So far, no exchange with other applicants
- Positive feedback on our application through the granting of the investment grant and during the process of negotiating the grant agreement
- A lot of work that pays off
- Plan EUIF application like a project
 - Goal definition
 - Resources
 - Time frame

Own resources



Own resources

- Realistically assess the scope and complexity of the application documents to be prepared
 - Almost 800 pages in total
 - Approx. 300 pages of required application documents
 - More than 400 pages of appendices in support of our statements
 - Company
 - Technology
 - Financing
 - Acceptance and delivery
 - Lois
 - Due Diligence Reports
 - Calculations
 - Financial model
 - GHG avoidance
 - Relevant costs

Own resources

- Existing know-how and available in-house resources
 - Start-up - SME – multinational Group
 - Subject-specific know-how versus know-how for the application process
 - Time frame
 - Application
 - Elaboration of the Grant agreement
 - Ongoing reporting obligations

Auditors and other external support



Auditors and other external support

- Involvement of advisors for the submission of the application to the EUIF
 - Content, form, scope
 - Editing
- Find and commission suitable auditors/consultants in good time
 - There may be few providers on special topics, limited availability
 - Timeframe: Application, Grant Agreement, Reports
 - Technical topics
 - Expert opinions and reports
 - due diligence
 - Legal topics
 - legal opinions
 - Economic topics
 - Audit of financial model
 - Review and calculation of relevant costs
 - Review of GHG avoidance calculation

The devil is in the details



The devil is in the details

- Examples
 - Own financial model and EU financial model summary sheet show different results
 - Who is allowed to carry out the audit at the relevant costs?
 - What exactly needs to be delivered by the auditor?
- Consultants can solve a large part of these problems based on their experience!

Documents supporting the application



Documents supporting the application

- In our case, more than 400 pages
 - Technical due diligence
 - Letter of support institutions, municipalities, financiers
 - Suppliers and customers
- Anything that supports and substantiates the statements in the application should be attached
- The more specific and reliable the documents, the better
- Examination of project assumptions is carried out by specialists

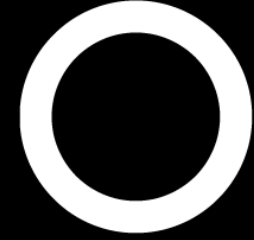
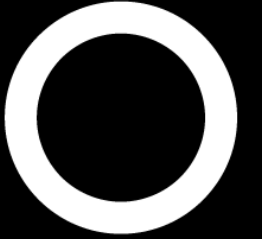
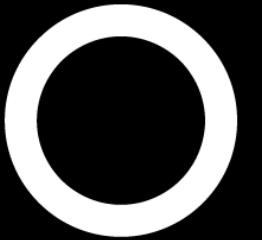
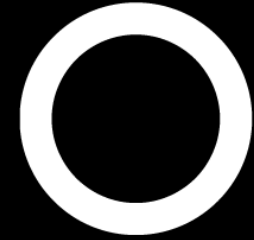
Binding financing commitments



Binding financing commitments

- Problem for "first of its kind" projects
 - Equity partners often do not want to participate until EU grants are awarded
 - Commercial banks shy away from the risk of projects whose technology has not yet been tested
- Overall funding must be secured from the EU's point of view
 - Involvement of development banks
 - The timing of the financial close must be planned realistically

Realistic project planning,
assumptions, alternatives



Realistic project planning, assumptions, alternatives

- There are also specialists on the side of the EU
 - Be realistic!
 - For all assumptions: dates, times, costs, conditions, etc.
 - Show alternatives on how changes in your assumptions can be absorbed
 - Take buffers and securities into account in your planning
 - When in doubt: use conservative rather than overly aggressive assumptions

Conclusion



Conclusion

- Plan the EUIF application like a project
- Engage external consultants at an early stage
- Be realistic with your project approaches
- Back up your statements/approaches with external expertise
- A lot of work,... but it's worth it!

To all of you: Much success!

Thank you!



Energy For **Eavor**[™]

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