BUSINESS DEVELOPMENT PLAYBOOK FOR DRY BULK TERMINALS

HES MED CASE STUDY

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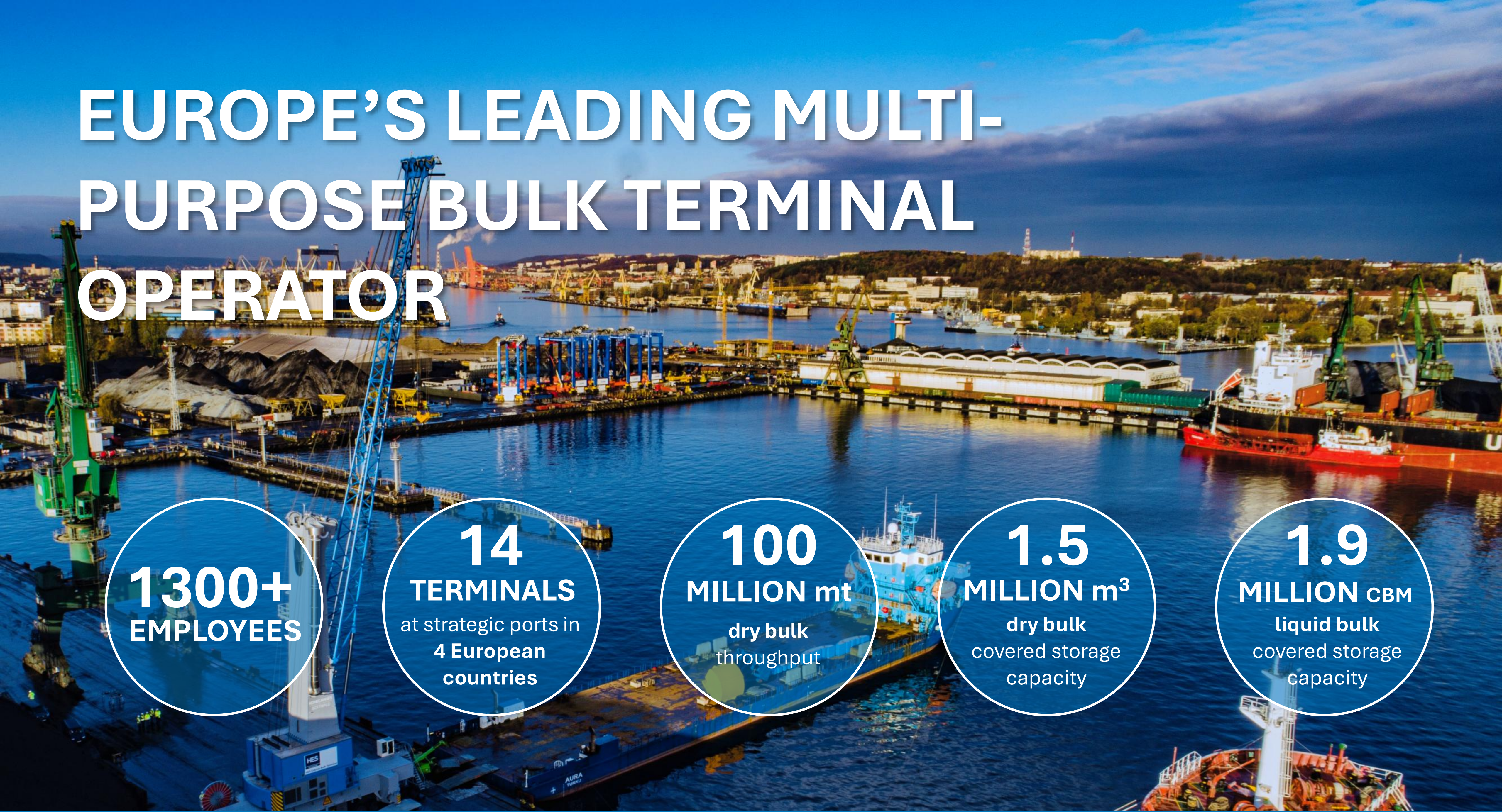
AGENDA

INTRODUCTION

EUROPE'S LEADING MULTI-PURPOSE BULK TERMINAL OPERATOR



1300+
EMPLOYEES

14
TERMINALS
at strategic ports in **4 European countries**

100
MILLION mt
dry bulk throughput

1.5
MILLION m^3
dry bulk covered storage capacity

1.9
MILLION CBM
liquid bulk covered storage capacity

STRATEGIC TERMINAL LOCATIONS

MULTI-MODAL CONNECTIVITY TO THE HEART OF INDUSTRIAL EUROPE

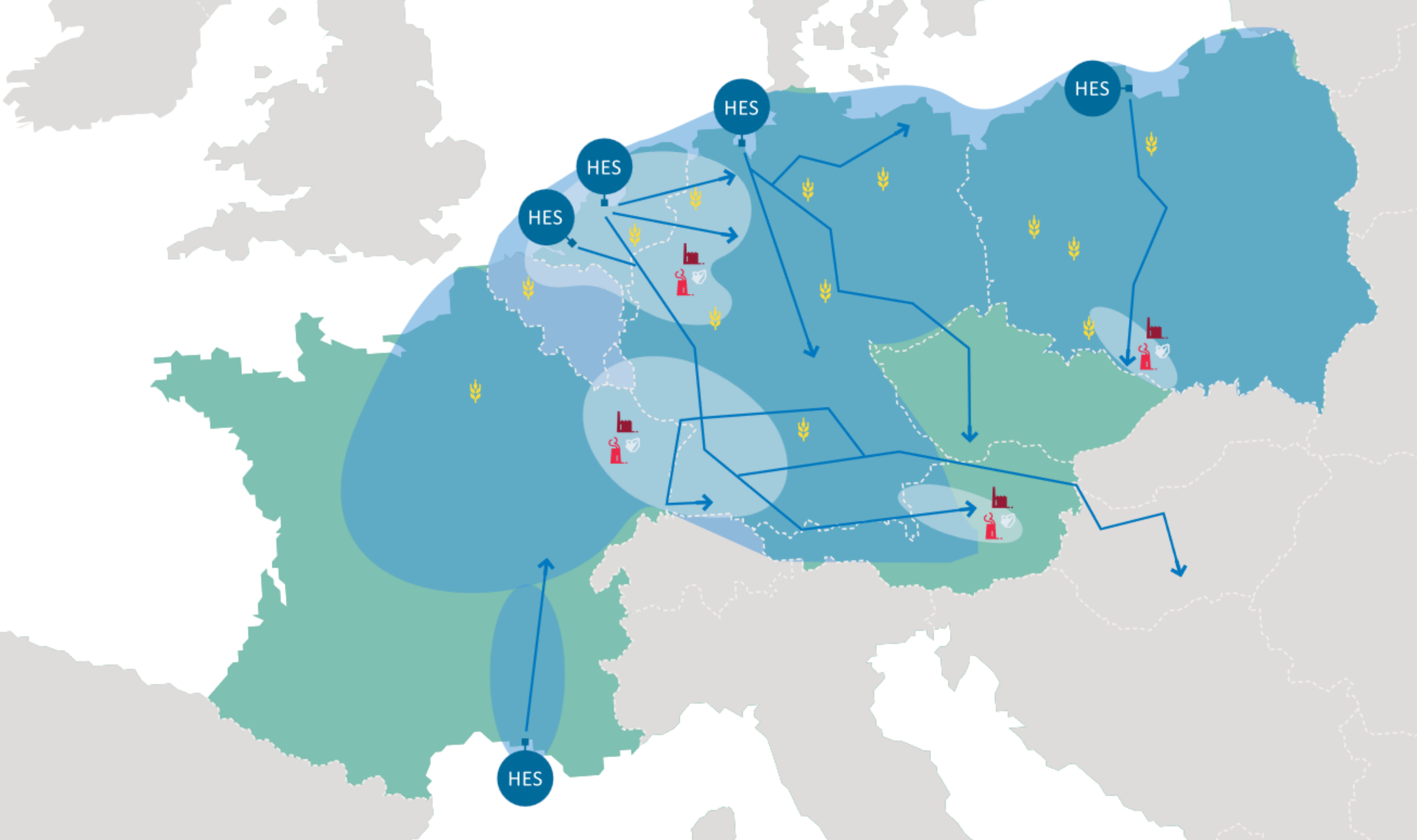
HES Terminal

Major rivers and freight railway lines

Industrial areas served by HES

Areas with agricultural production and processing

Major power, steel and mineral producing and processing area



COMPANY VALUES

HOW WE WORK TOGETHER

COMMIT TO SAFETY

Safety is our priority in everything we do. We proactively identify risks, take preventative action, and stop the work when we are in doubt. We work towards a zero-harm workplace as our ongoing commitment to safety.

STRIVE FOR EXCELLENCE

We push ourselves to realize success. We deliver world class handling, processing and storage solutions tailored to our customers' evolving needs. We turn every challenge into an opportunity to grow.

OPERATE RESPONSIBLY

Our responsibility extends beyond the products we handle and store for our customers. We operate with respect for all involved, ensuring a sustainable approach in everything we do.

PERFORM AS ONE

We are one HES. The benefit of the group prevails in decisions we make every day. We believe in supporting each other and providing a healthy challenge to grow and realize success together.

WE HANDLE
DRY, LIQUID AND BREAKBULK

MARKETS WE SERVE → CONTEMPORARY COMMODITIES

DRY BULK

- Steel (Iron Ore, Coking, DRI pellets, Scrap metal)
- Agribulk (Grains, Meals)
- Minerals (Alumina)
- Building materials
- Thermal Coal
- Coking Coal

LIQUID BULK

- Diesel
- LPG
- Jet fuel
- LSFO
- Gasoline
- Fame
- HVO

BREAKBULK & PROJECT CARGO

- Steel Coils
- Components for wind farms
- Metals

YOUR TRUSTWORTHY PARTNER TO SECURE (ENERGY, INDUSTRIAL & FOOD) SUPPLY FOR MULTIPLE REGIONS AND CUSTOMER GROUPS

WE HANDLE
DRY, LIQUID AND BREAKBULK

MARKETS WE SERVE → CONTEMPORARY COMMODITIES

WE PLAY AN ACTIVE ROLE IN DELIVERING GLOBAL ENVIRONMENTAL CHANGE AND THE ENERGY TRANSITION

AMMONIA AND HYDROGEN

METHANOL AND E-FUELS

CLEAN CEMENT

BIOFUELS

- Sustainable Aviation Fuel (SAF)
- Bio/Renewable diesel/Ethanol

CCUS

WASTE TO FUEL

ACTIVITY IN FRANCE

FACTS & FIGURES
HMT

HMT
HES MED TERMINALS

DIRECT ACCESS FOR

Vessels | Barges | Trains | Trucks

20 THOUSAND M² OPEN STORAGE CAPACITY

11 M MAX DRAFT STEEL TERMINAL

19.5 M MAX DRAFT DRY BULK TERMINAL

10.10 M MAX DRAFT BREAKBULK TERMINAL

180 PROFESSIONALS

WORKING TOWARDS A **GREENER FUTURE**

SERVICES

Transhipment | handling | storage and lashing operations

PRODUCTS

Iron ore | steel products | coal | heavy lift and project cargo

CERTIFICATIONS

SO 9001 | ISO 45001 | MASE

HES GROUP DECIDED TO FURTHER EXPAND IN FRANCE
CUSTOMER AND MARKET DYNAMICS WERE FAVORABLE

Ambitious group growth and value creation aspirations

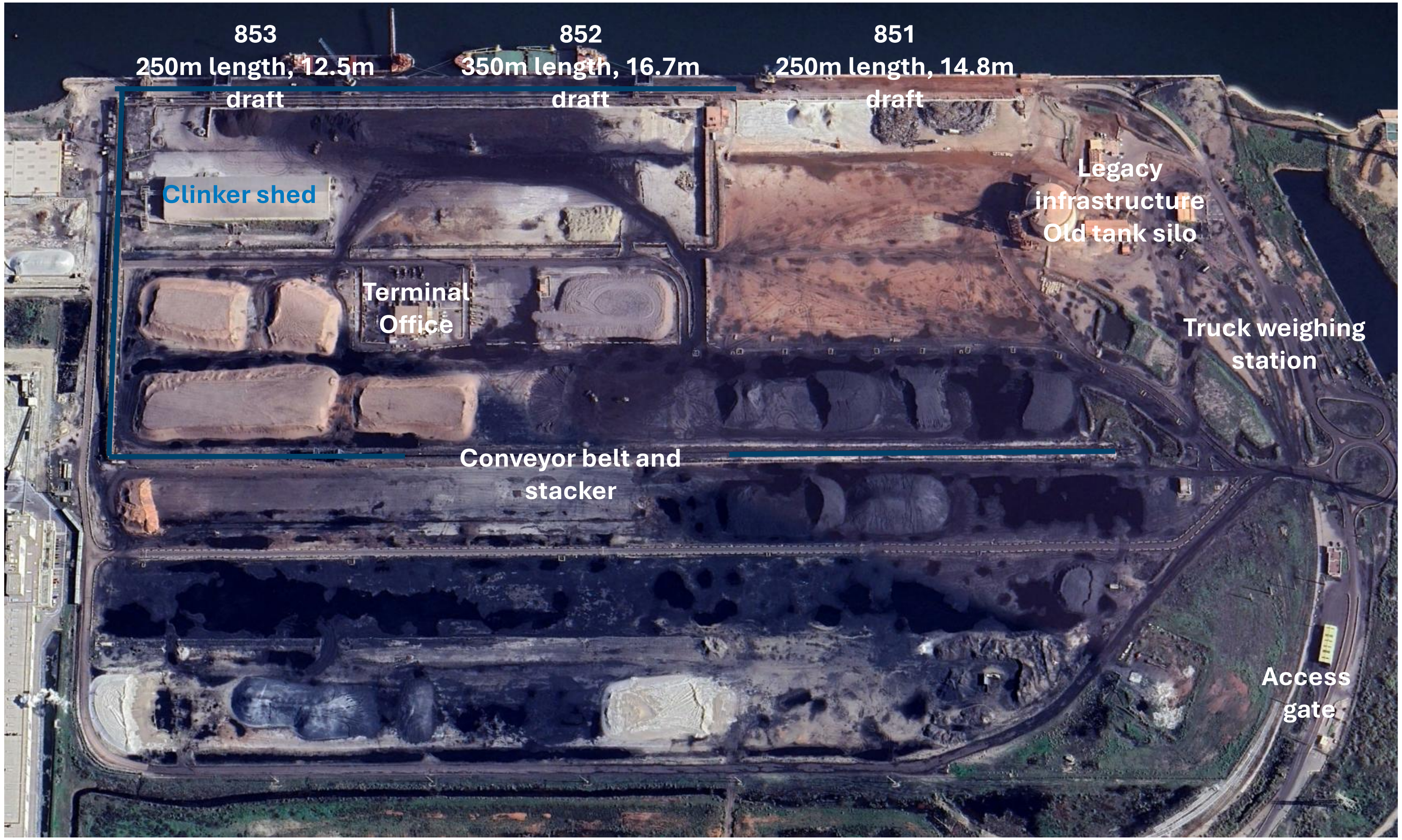
Limited visibility on long term volume outlook for Arcelor Mittal

High inbound demand for additional volumes across multiple product segments

OUR FRENCH TERMINAL MANAGEMENT TEAM KEPT LOOKING FOR GROWTH OPPORTUNITIES

ACTIVITY IN FRANCE

SECURING A NEW CONCESSION POSITIONS HES FOR LONG-TERM GROWTH



- **In December 2024, new tender launched for the Terminal Minerallier de Fos** (previously operated by Carfos)
- **In July 2025, the Port of Marseille-Fos awarded HES a 30-year concession** to operate the multi-bulk terminal in Fos-sur-Mer
- The concession covers **35 ha** (expanding to **67 ha**) with **three deep-draft berths** and a **barge berth**

Equipment:

- 2 LPS 550 Cranes (2015)
- 2 hoppers
- Inbound conveyor belt 1.500 tph
- Stacker 1.500 tph
- Rolling equipment (mainly pay loaders)

Additional mobile crane availability at our site on the Arcelor Mittal Quay

WHAT WERE THE DRIVING FACTORS BEHIND THE DECISION TO EXPAND VIA TMF?

A POSITIVE GROWTH PERSPECTIVE AND **POTENTIAL FOR VALUE CREATION**

HES FRAMEWORK

HES BUSINESS DEVELOPMENT FRAMEWORK
HOW WE ASSESS GROWTH PERSPECTIVES AND CREATE VALUE

HES framework for assessing growth perspective and value creation

1. Location attractiveness and addressable market
2. Pipeline qualification and business case development
3. Master-planning & execution

Growth Perspective | Value creation

Terminal FID[1] is taken

Project-specific FIDs are taken

HES BUSINESS DEVELOPMENT FRAMEWORK
PHASE 1 - LOCATION ADDRESSABLE MARKET ATTRACTIVENESS

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & Execution

Growth Perspective | Value creation

a. Confirm strategic alignment

- Any potential terminal must **align with the company strategy**
- HES CASE: Our ambition is to become Europe's #1 deep-sea bulk terminal operator - the preferred logistics partner for key industries, supporting their transition journeys

HES BUSINESS DEVELOPMENT FRAMEWORK
PHASE 1 - LOCATION ATTRACTIVENESS AND ADDRESSABLE MARKET

HES framework for assessing growth perspective and value creation

1. Location attractiveness and addressable market
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Growth Perspective | Value creation

b. Validate technical parameters

- **Technical parameters** ensure the location has (or can have) the technical capabilities to deliver on our strategic ambitions
- Filtering can be achieved by plot size, draft, number of berths, key length, and (water and/ or hinterland) connectivity possibilities

HES BUSINESS DEVELOPMENT FRAMEWORK
PHASE 1 - LOCATION ATTRACTIVENESS AND ADDRESSABLE MARKET

HES framework for assessing growth perspective and value creation

1. Location attractiveness and addressable market
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Growth Perspective | Value creation

c. Quantify the addressable market

- Categorize and quantify flows by **product type** and source locations
- Map **key demand drivers per industry** and assess the outlook for each
- Analyze **Right-to-Win** (competitive landscape assessment), **barriers to entry and captive demand**
- Define the **serviceable market size** by building a **bottom-up pipeline**

HES BUSINESS DEVELOPMENT FRAMEWORK
ILLUSTRATIVE VIEW OF THE SERVICEABLE MARKET QUANTIFICATION

Segment	Trends and insights	Outlook	Target terminal	Addr. Market1
Building Material Cement, slag, fly ash, Gypsum, Rubber	+ FOS coming civil works: high construction material needs (Project 1, Project 2, …) + Growing import needs of GBFS linked to the reduction of Client activity + Low carbon cement development triggering import of slag, fly ash and a need for new energy sources (CSR, crushed tires, … replacing coal/coke) + Newcomers in cement industry, new local projects (Knauf for Client –operational, cement hub with Client) - Clinker is declining because of its still high carbon footprint	↗	XX kt	XX kt
Minerals Bauxite, Alumina, quartz	+ High potential for Alumina (Client, Client , other industries), need rail & silos + Potential to attract new flows of Client , a major actor in the hinterland - Context of deindustrialization in international competition, with some industries holding small capturable flows	↗	XX kt	XX kt
Agri - Cereal	- Approximately 600 kT of Export of grains from (Location) area through Med facade - Fertilizer consumption decreasing, distribution hubs along the Rhone river and using river maritime ships (lack of offer on the basin)	→	XX kt	XX kt
Steel Iron ore, Scrap	+ Decarbonization : convert to electric arc furnace, less coal, more scrap + High Value-added steel part production still attractive in France; 2 mega projects on pathway to FID - Strong Asian competition reducing national steel production activity - Rail logistics widely used in this sector	↗	XX kt	XX kt
Recycled Material Biomass, Rubber	+ Process shift in industries (e.g chemical plants) requiring heat source to woodchip, local but no sufficient + Gazel plant (captive) production level fixed for 8 years (government approved contract) - New energy projects on the territory (H2) do not involve solid bulk traffic except Elyse Neocarb (FID 2027). Coal progressively disappearing from the mix.	↗	XX kt	XX kt

HES FRAMEWORK
PHASE 1 PITFALLS

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & Execution

Growth Perspective

Value creation

No clear link with company strategy	Ignoring the technical elements	Overoptimistic market outlook
Get senior stakeholder feedback	Conduct site visit with engineer	Onboard a 3rd party to run analysis

HES FRAMEWORK

PHASE 1 - LOCATION ATTRACTIVENESS AND ADDRESSABLE MARKET

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & execution

Growth Perspective

Value creation

Go / no-go gate 1

- Strategic alignment
- Technical parameters
- Growth outlook

If yes, move to phase 2A

HES FRAMEWORK

PHASE 2A - PIPELINE QUALIFICATION

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & Execution

Growth Perspective | Value creation

a. Conduct market sounding

- Conduct **customer meetings and site visits** to gather detailed requirements (cargo types, handling modes, storage options, discharge options via barge/train/truck)
- Evaluate if **volumes** can be served by the terminal
- Identify need for **additional infrastructure or equipment**
- Confirm **customer interest** via LOIs or other non-binding agreements

HES FRAMEWORK
PHASE 2A - PIPELINE QUALIFICATION

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & Execution

Growth Perspective

Value creation

b. Qualify pipeline opportunities

- Assign **probabilities** to each opportunity based on intelligence
- Generate **scenarios** to test handling, storage and quay capacity
- **Classify opportunities** based on commodity mix and multipurpose infrastructure (sheds, conveyors, berths)

HES FRAMEWORK
ILLUSTRATIVE VIEW OF THE PIPELINE QUALIFICATION OVERVIEW

	Customer name		Target terminal	Total volumes	Probability	Risk weighted volume	Target terminal	HES Forecast	Addr. market
Building Material Cement, slag, fly ash, Gypsum, Rubber	Client X		20,000	20,000	35%	15,000	*XX kt*	*XX kt*	*XX kt*
	Client X	***LoI received***	20,000	20,000	40%	15,000			
	Client X		20,000	20,000	35%	15,000			
	Client X		20,000	20,000	100%	15,000			
	Client X		20,000	20,000	100%	15,000			
	Client X		20,000	20,000	100%	15,000			
	Client X		20,000	20,000	-	15,000			
	Client X	***LoI received***	20,000	20,000	45%	15,000			
	Client X		20,000	20,000	30%	15,000			
	Client X		20,000	20,000	-	15,000			
	Client X		20,000	20,000	20%	15,000			
Minerals Mainly bauxite, Alumina	Client X		20,000	20,000	35%	15,000	*XX kt*	*XX kt*	*XX kt*
	Client X	***LoI received***	20,000	20,000	35%	15,000			
	Client X		20,000	20,000	35%	15,000			
	Client X	***LoI received***	20,000	20,000	35%	15,000			
	Client X		20,000	20,000	35%	15,000			
Agri - Cereal	Client X	***LoI received***	20,000	20,000	35%	15,000	*XX kt*	*XX kt*	*XX kt*
	Client X		20,000	20,000	35%	15,000			
Steel Iron ore, Scrap	Client X	***LoI received***	20,000	20,000	35%	15,000	*XX kt*	*XX kt*	*XX kt*
	Client X		20,000	20,000	35%	15,000			
Recycled Material	Client X		20,000	20,000	35%	15,000	*XX kt*	*XX kt*	*XX kt*
	Client X	***LoI received***	20,000	20,000	35%	15,000			
	Client X		20,000	20,000	35%	15,000			
	Client X	***LoI received***	20,000	20,000	35%	15,000			
Game Changers	Client X	***LoI received***		20,000		***Total = XX Mt***			
	Client X	***LoI pending***		20,000					*XX kt*

HES FRAMEWORK
PHASE 2A - PIPELINE QUALIFICATION

HES framework for assessing growth perspective and value creation

1. Location attractiveness and addressable market
2. Pipeline qualification and business case development
3. Master-planning & Execution

Growth Perspective | Value creation

Go / no-go gate 2A

- ✓ **Promising qualified pipeline**
- ✓ **Customer non-binding commitments**

If yes, move to phase 2B

HES FRAMEWORK

PHASE 2B - BUSINESS CASE DEVELOPMENT

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & Execution

Growth Perspective

Value creation

a. Build the business case

- **Model revenues** based on (estimated) tariffs from market intel and customers willingness to pay (price sensitivity)
- **Model the costs** including direct costs linked to the services, mainly driven by FTEs
- Incorporate **CapEx requirements depending on scope split between company x clients**
- Deduce **IRR** based on estimated cashflow generation

HES FRAMEWORK

PHASE 2B - BUSINESS CASE DEVELOPMENT

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & Execution

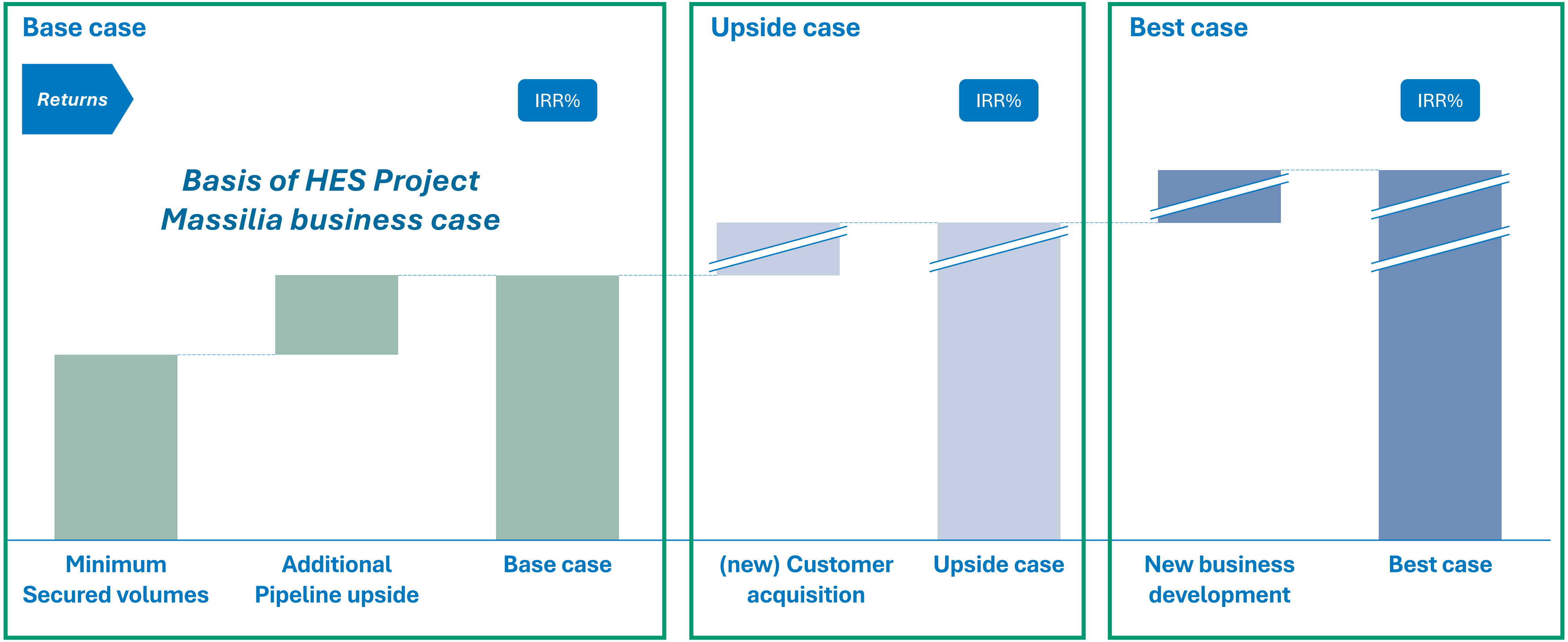
Growth Perspective

Value creation

b. Evaluate financial scenarios

- Conduct **scenario analysis** of:
  - Base case (conservative, factoring in aggressive level of customer churn)
  - Upside/ realistic case
  - Best case "the dream"

HES FRAMEWORK
ILLUSTRATIVE VIEW OF BUSINESS CASE SCENARIOS



HES FRAMEWORK
PHASE 2 PITFALLS

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & execution

Growth Perspective

Value creation

(Too) optimistic customer pipeline	No (written) commitment from customers	CapEx underestimation
Get challenged by commercial colleagues	Incentivize early adopting customers	Ensure involvement of engineering early on

HES FRAMEWORK

PHASE 1 AND 2 DELIVERS GROWTH PERSPECTIVE AND CONFIRM POTENTIAL FOR VALUE CREATION

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & Execution

Growth Perspective

Value creation

Phase 1

- ✓ Alignment with strategic direction
- ✓ Growth outlook

Phase 2A

- ✓ Promising qualified pipeline
- ✓ Customer non-binding commitments

Phase 2B

- ✓ Scenarios deliver returns
- ✓ Risk levels are acceptable
- ✓ *Permitting and regulatory hurdles are manageable*

FID – and move to phase 3

HES FRAMEWORK
PHASE 3 - MASTER PLANNING AND EXECUTION

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & execution

Growth Perspective

Value creation

a. Prepare project management masterplan

- Set up and **implementation roadmap** with clear and measurable **milestones** per workstream, highlighting key dependencies
- Commercial (binding term sheets), engineering (detailed design), permitting (legal opinion), financing, construction (system building blocks)
- Assign **teams**, define **governance processes** and forums, operate with “**single-threaded leadership**”, and outline **escalation mechanisms**

HES FRAMEWORK
PHASE 3 - MASTER PLANNING AND EXECUTION

HES framework for assessing growth perspective and value creation

1. Location attractiveness and addressable market
2. Pipeline qualification and business case development
3. Master-planning & execution

Growth Perspective | Value creation

b. Prepare engineering masterplan

- Align customer pipeline with engineering to **define terminal layout** and optimize storage, handling, quay use, and transfers
- Design for flexibility with modular storage, mobile equipment, scalable infrastructure, and built-in sustainability (i.e., dust-free handling, enclosed conveyors, etc.)

HES FRAMEWORK
PHASE 3 - MASTER PLANNING AND EXECUTION

HES framework for assessing growth perspective and value creation

1. Location attractiveness and addressable market
2. Pipeline qualification and business case development
3. Master-planning & execution

Growth Perspective | Value creation

c. Validate financials and explore funding

- Validate CAPEX, revenues, and returns (EBITDA, IRR) based on engineering inputs
- Assess cost **optimization opportunities** and **funding options** (incl. investment scoping)
- Explore **subsidies and grants** supporting sustainable infrastructure

HES FRAMEWORK

PHASE 3 - MASTER PLANNING AND EXECUTION

HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & execution

Growth Perspective

Value creation

Go / no-go gate 3

- **Project and engineering masterplan are drafted**
- **Financials finalized**
- **Shareholders are ready to invest ☺**

If yes, execute investment

HES FRAMEWORK
PHASE 3 PITFALLS

Chevron HES framework for assessing growth perspective and value creation

1 Location attractiveness and addressable market

2 Pipeline qualification and business case development

3 Master-planning & execution

Growth Perspective

Value creation

(Too) Ambitious execution timeline

Underestimating contracting efforts required

CapEx underestimation

Add buffers in your planning, not everything is within your control

Approach contracting with diligence

Ensure involvement of engineering early on

CELEBRATE YOUR WINS!
AND TRY TO HAVE FUN ALONG THE WAY

THANKS TO THE PARTNERS HELPING US CREATE VALUE

Marseille Fos
Le port euroméditerranéen

PORT CONSULTANTS ROTTERDAM

SEE up

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Q&A

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