



Twence

Q2 2023

11 July 2023

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Agenda

Introduction and second quarter highlights

Operations and business development

Delivery models

Financials

Way forward

Q&A

Aker Carbon Capture in brief

Pure play carbon capture company offering modular and configurable capture plants

Best-in-class HSE friendly and proprietary patented technology for optimized plant performance

Proven market-leading proprietary technology with over 60,000 operating hours and seven carbon capture units being delivered

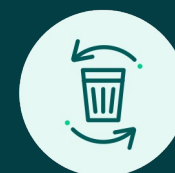
Key regions



Prioritized industries



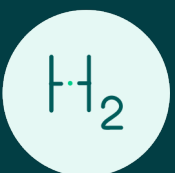
CEMENT



BIO/WASTE-TO-ENERGY



GAS-TO-POWER



BLUE HYDROGEN

...and engagement with new industry segments like refining and process industries



Highlights

Key awards:

- Five Just Catch™ 100 units being delivered to Ørsted
- Study for Söderenergi biomass power plant
- First major study in North America
- Two studies for Just Catch Offshore™

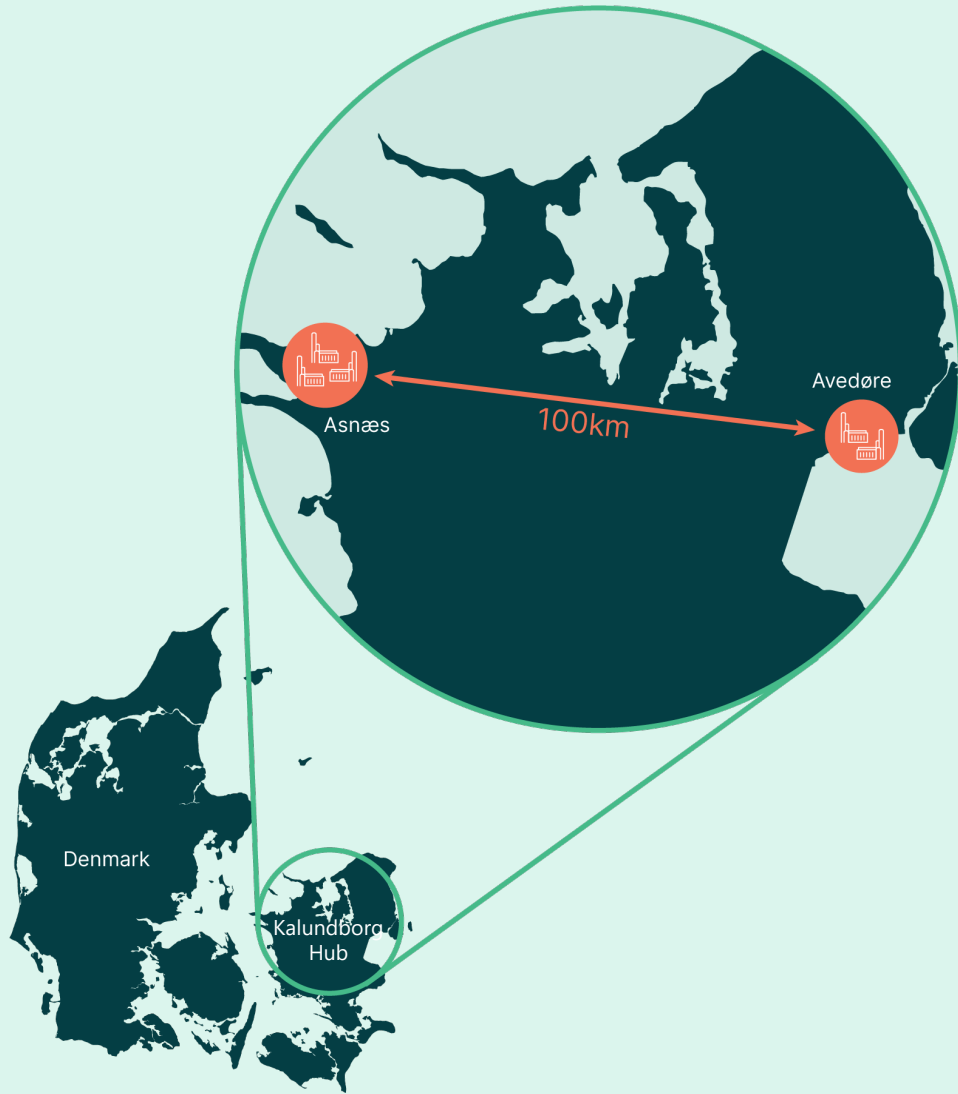
Major projects progressing:

- Ørsted CCS: key purchase orders placed
- Brevik CCS: installation of equipment on site continues
- Twence CCU: all major equipment installed on site
- UK flagship projects in final negotiations for governmental support

High MTU activity: successful test campaign CO₂ Hub Nord and Aurora
EU solvent research project started

Strengthening of modular product portfolio with 3rd generation Just
Catch™ 100 and introduction of Just Catch™ 400

Strengthened backlog (NOK 3.3 billion), continued revenue growth
(57% YoY) and solid cash position (NOK 1.1 billion)

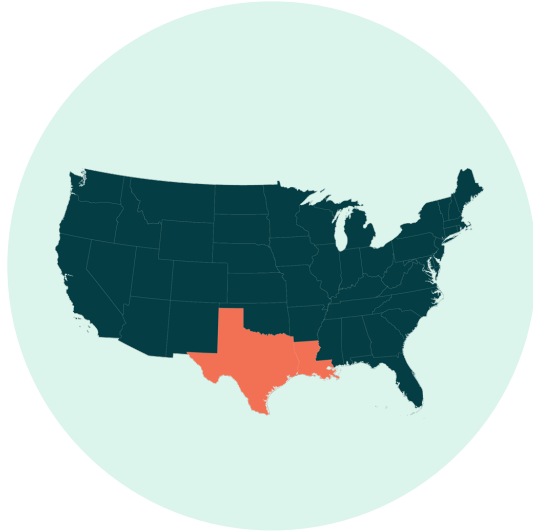


Ørsted Kalundborg CCS

- Aker Carbon Capture awarded delivery of five modular and configurable Just Catch™ 100 units to Ørsted
 - Three Just Catch™ units to the wood chip-fired Asnæs Power Station
 - Two Just Catch™ units to the straw-fired Avedøre Power Station
- Materialization of the Ørsted, Aker Carbon Capture and Microsoft MoU signed in March 2021
- Milestone for Just Catch™ serial production, enabling scale-up and time-efficient deployment
- Combined design capture capacity of 500,000 tonnes CO₂ per year
- Contract value above EUR 200 million
- Microsoft will purchase 2.7 million tonnes of high-quality, durable carbon removal credits
- First full-scale carbon capture and storage value chain in Denmark



Making headway in new markets and industries



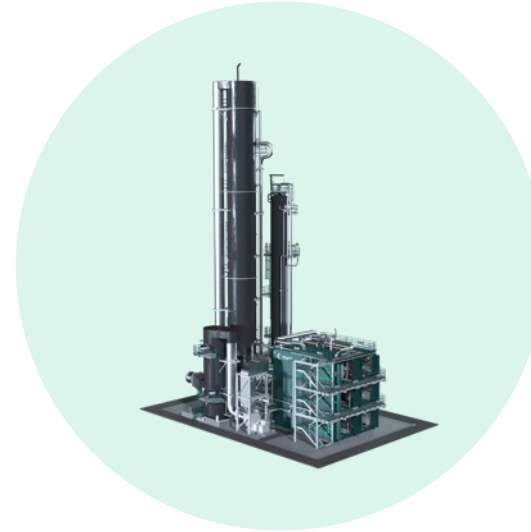
Strategic US study covering biogenic emissions

- Study for two Just Catch™ 100 units
- Study includes total targeted emissions of 800,000 tonnes CO₂ per year



Söderenergi Igelstaverket

- Sweden's second largest biomass combined heat and power plant
- Targeted emissions of 500,000 tonnes biogenic CO₂ per year



Study for European waste-to-energy player

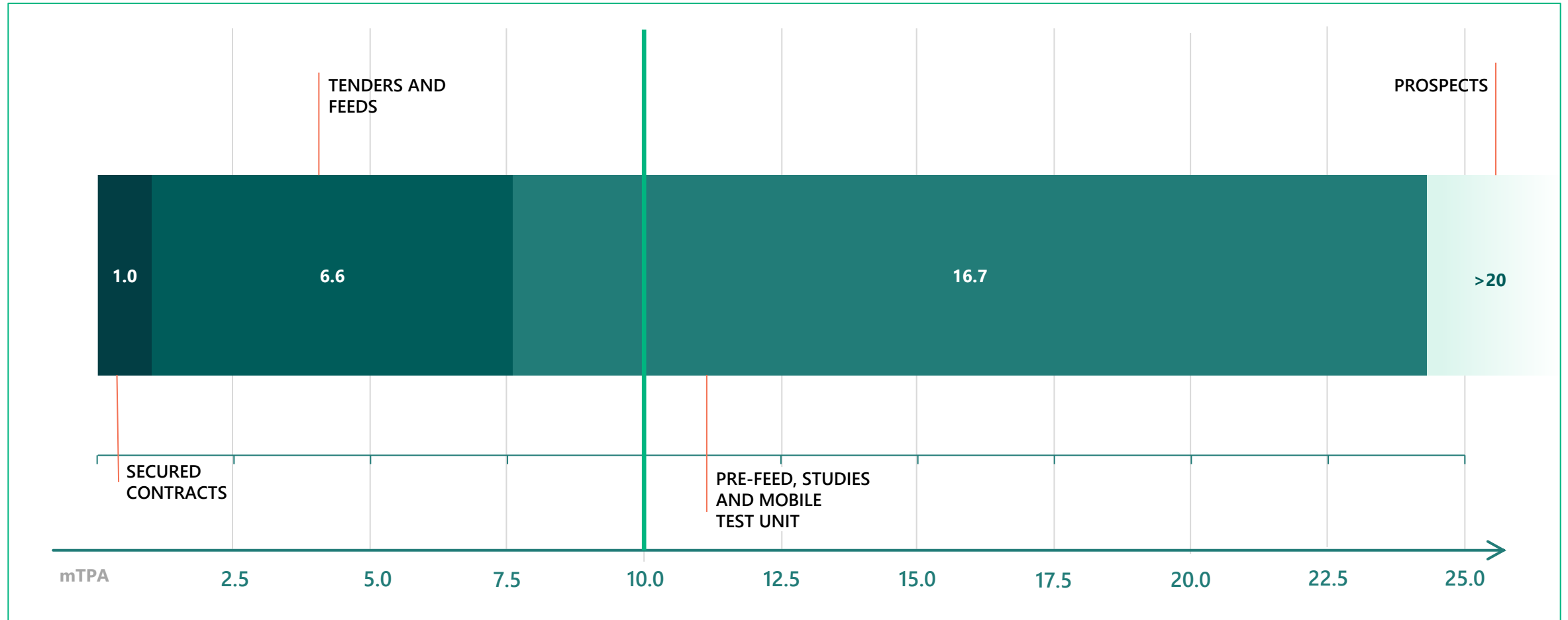
- Exploring options across the Just Catch™ portfolio
- Targeted emissions of 200,000-400,000 tonnes CO₂ per year



Two Just Catch Offshore™ studies

- Power Hub study for Petoro in Norway, targeted emissions of 720,000 tonnes CO₂ per year
- Study for major offshore operator, targeted emissions of 180,000 tonnes CO₂ per year

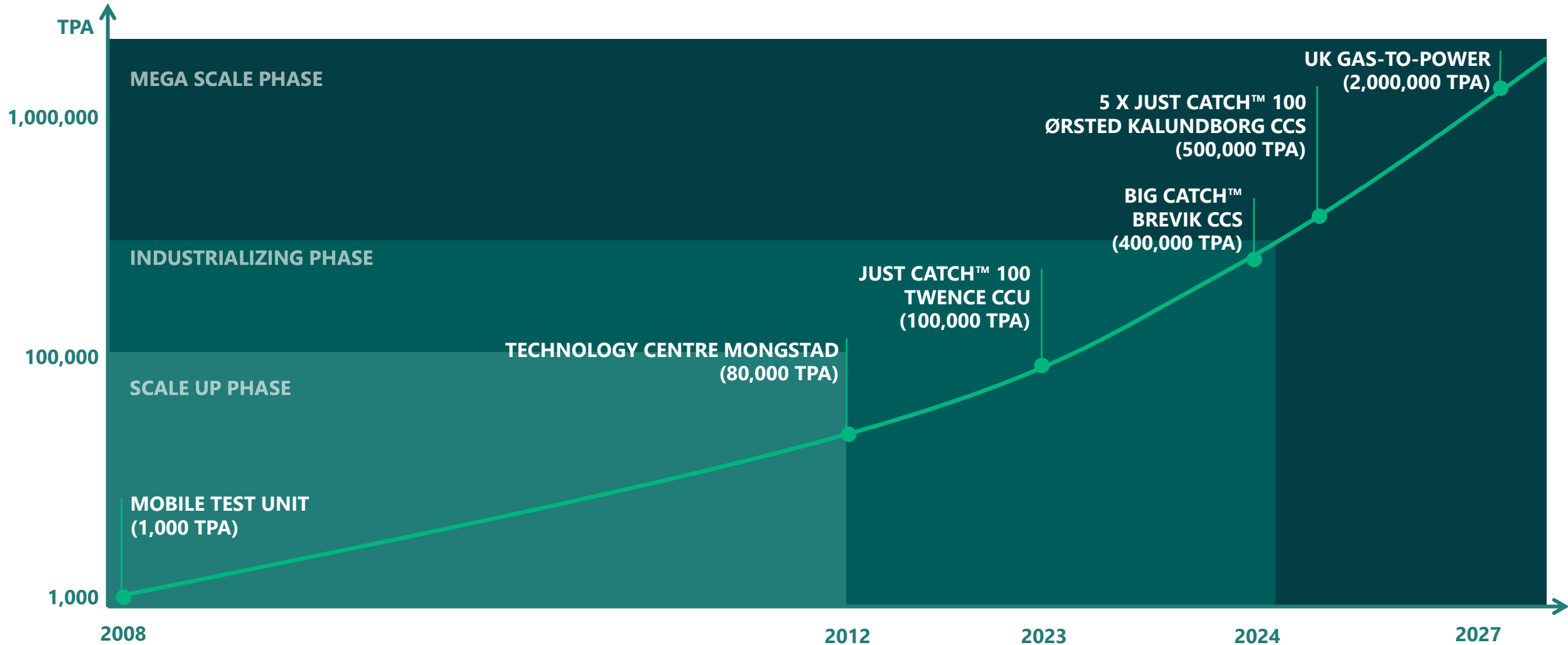
Continued pipeline development towards 10 in 25





Operations and business development

Maturing technology concept and product



High Mobile Test Unit activity

MTU Campaign finalized in Rana, Norway

- Elkem's smelter (3.5% CO₂ concentration) and SMA Mineral's calciner (26% CO₂ concentration)
- Part of CO₂ Hub Nord, with ~2 million tonnes of capturable CO₂ emissions
- Flue gases tested at challenging low CO₂ concentrations with capture rates validated above 95% for each

Aurora

- Four year research project funded by EU's Horizon Europe
- Testing and validating ACC™ capture technology with open-source solvent CESAR1 in novel industrial sectors
- Strengthening our world-leading position in providing amine-based CO₂ capture solutions
- Planned MTU demonstrations at Heracles cement plant in Greece and Umicore materials recycling plant in Belgium





WASTE TO ENERGY TWENCE CCU

Netherlands

- Capturing 100,000 tonnes CO₂ per year
- First of a kind modular carbon capture project on track
- Containers received and installed on the same day
- All major equipment installed
- Pipe installation and cable pulling ongoing
- CO₂ will boost local greenhouse production

November 2021
SIGNED CONTRACT

June 2023
ALL MAJOR EQUIPMENT
INSTALLED ON SITE

End 2023
PLANNED
DELIVERY

NORCEM HEIDELBERG MATERIALS BREVIK CCS

Norway

- 400,000 tonnes CO₂ per year capture and liquefaction plant
- Major equipment installed on site, incl. all Waste Heat Recovery Units, Flue Gas Fans and internals of Direct Contact Cooler
- Creating local employment and strong partnerships
- CO₂ transport by ship to permanent storage as part of Northern Lights



Installation of pipe spools and pressure testing

2020
PROJECT START

June 2023
PIPING INSTALLATION ONGOING

2024
PLANNED
DELIVERY



Contract signing ceremony at Ørsted's Avedøre Power Station

May 2023
CONTRACT AWARD

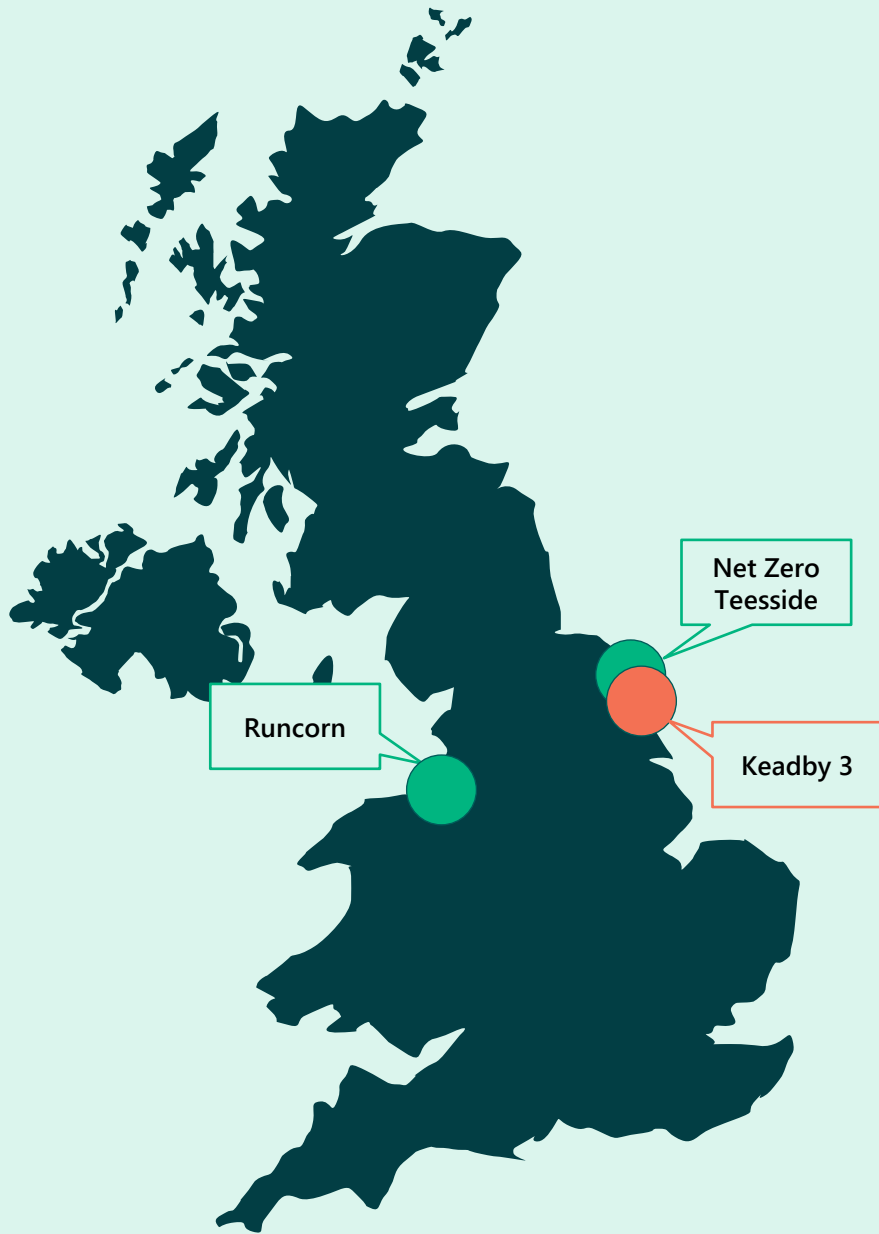
June 2023
KEY PURCHASE
ORDERS PLACED

End 2025
PLANNED DELIVERY

ØRSTED KALUNDBORG CCS

Denmark

- Design capture capacity of 500,000 tonnes CO₂ per year
- Key purchase orders placed
- Five Just Catch™ units at wood chip-fired Asnæs Power Station and straw-fired Avedøre Power Station
- First full-scale CCS value chain in Denmark, delivered by Ørsted, Aker Carbon Capture, Microsoft and Northern Lights



Flagship projects in the UK

Track-1 Clusters

Now in final negotiations for funding

- bp Net Zero Teesside Power FEED
 - Design capacity of 2 million tonnes of CO₂ per year
 - Carbon capture partner to a consortium of Aker Solutions, Siemens Energy and Altrad Babcock
- Viridor's waste-to-energy Runcorn CCS pre-FEED
 - Planned capacity of 1 million tonnes of CO₂ per year


Awaiting potential Track-1 cluster expansion

- SSE Keadby 3 Carbon Capture Power Station FEED
 - Design capacity of 2 million tonnes of CO₂ per year

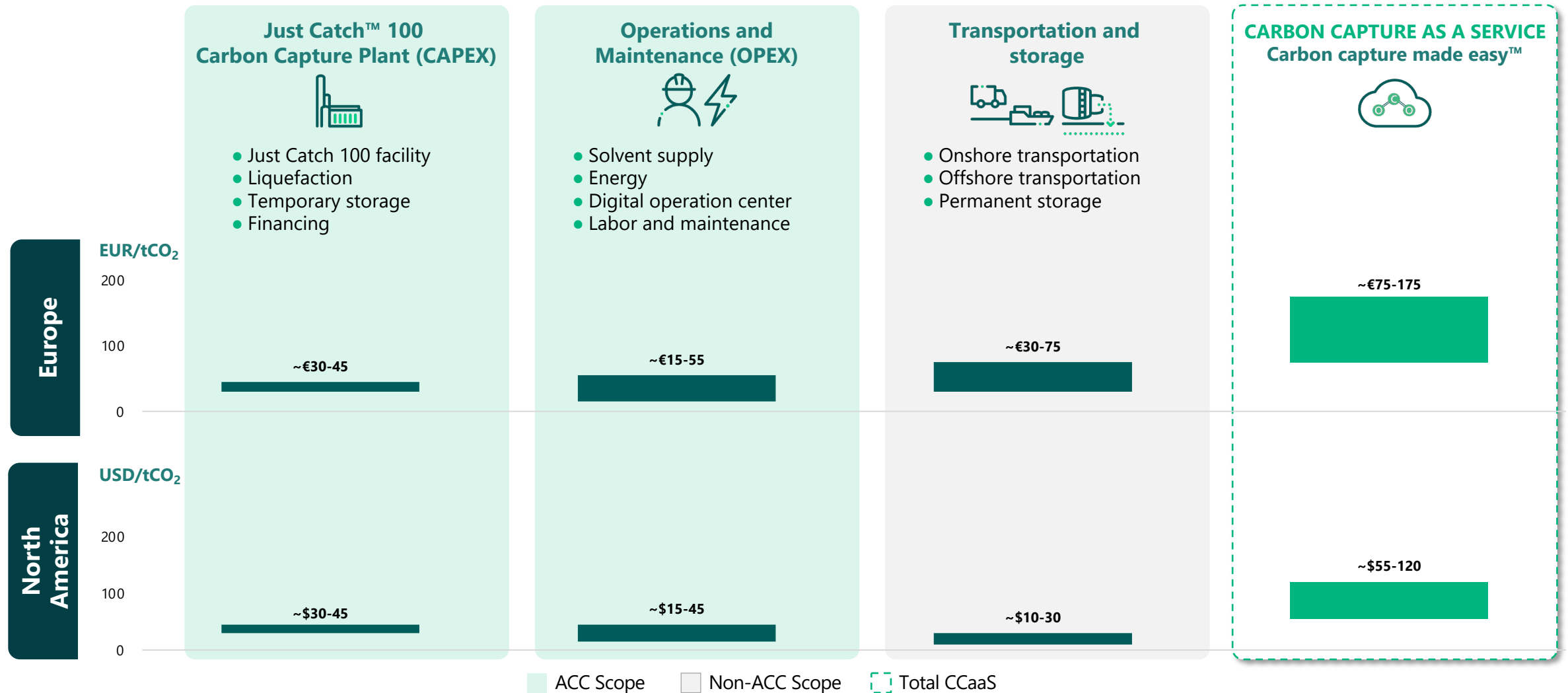
£20 billion UK CCUS infrastructure funding
Ambition of 20-30 Mt CO₂ per year capture by 2030

Delivery models

A wide range of offerings and delivery models

	 <p>Just Catch™ 40 Capacity: 40 ktpa Delivery time: <22 months Footprint ~13m x 23m» Up to three units in parallel</p>	 <p>Just Catch™ 100 Capacity: 100 ktpa Delivery time: <24 months Footprint: ~19 x 24 m Up to three units in parallel</p>	 <p>Just Catch™ 400 Capacity: 400 ktpa Delivery time: ~24 to 36 months Footprint ~32m x 56m Up to three units in parallel</p>	 <p>Just Catch Offshore™ Capacity: 120 – 360 ktpa Delivery time: ~22 to 24 months Footprint: Varies as per selected capacity</p>	 <p>Big Catch™ Capacity: > 400 ktpa Delivery time ~36mths Footprint: Varies as per selected capacity and shape of available land</p>
SUPPLY AGREEMENT (EPC)	✓	✓	✓	✓	✗
LICENSE AND KEY EQUIPMENT	✗	✗	✗	✓	✓
AFTERMARKET AND SOLVENT SUPPLY	✓	✓	✓	✓	✓
CARBON CAPTURE AS A SERVICE	✓	✓	✓	✗	✗

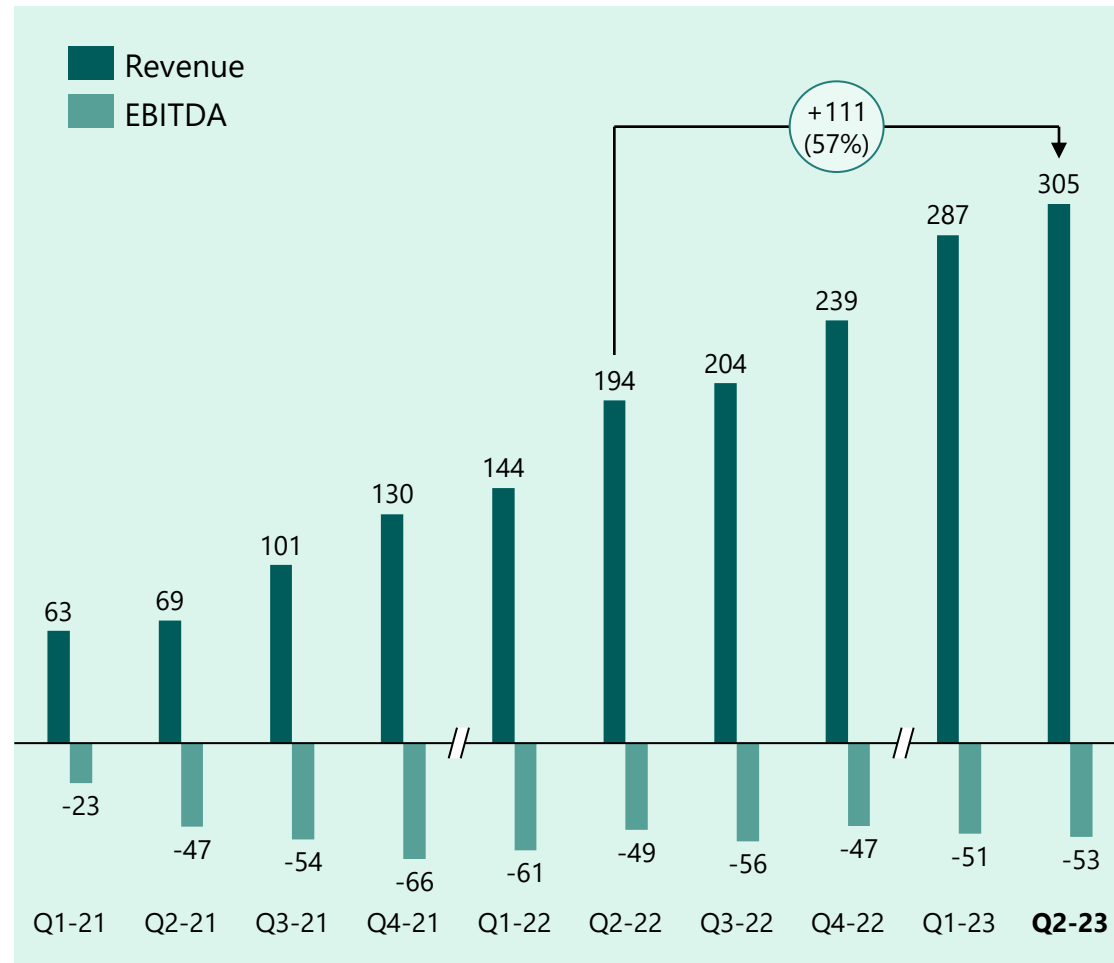
Indicative levelized cost of Carbon Capture as a Service



Financials

Second quarter 2023 | Income statement

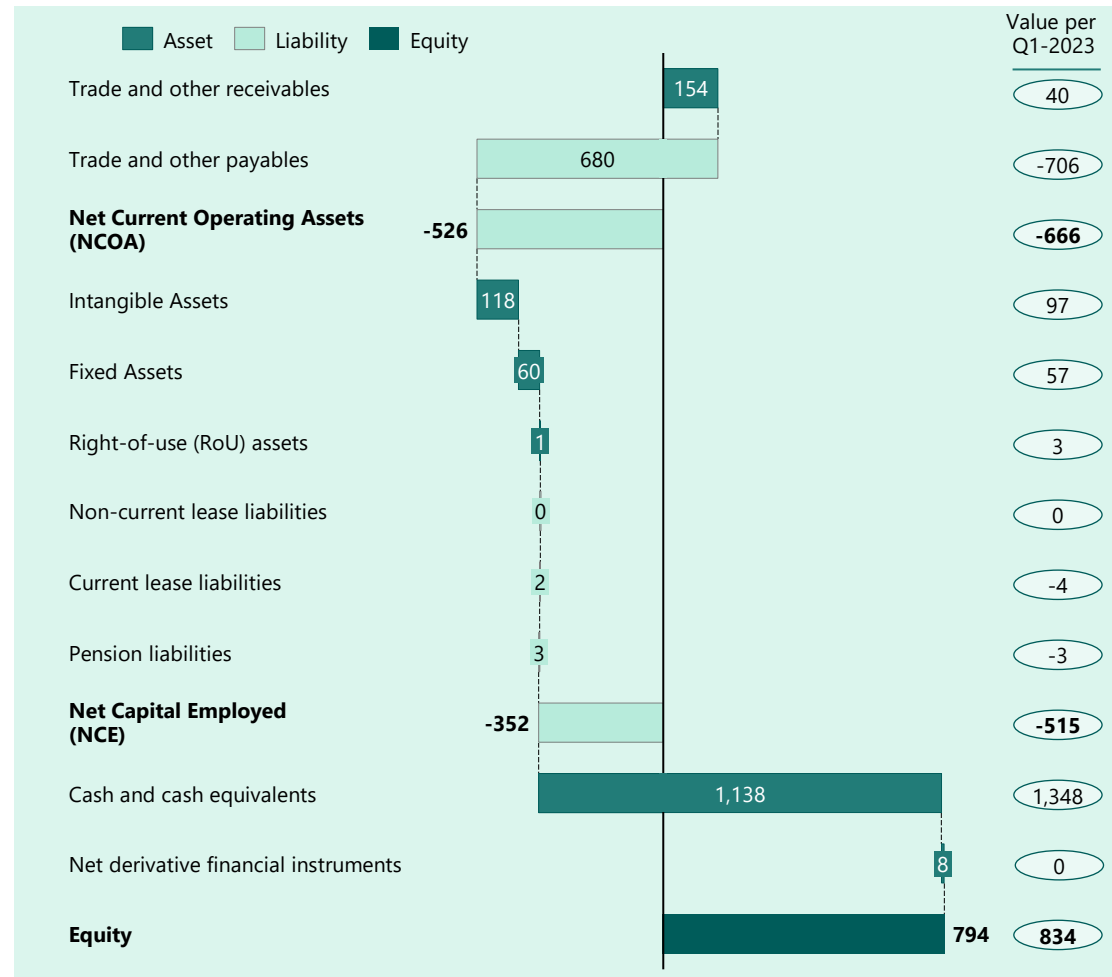
Revenue and EBITDA NOK million



- **Revenue** ended at NOK 305 million which was NOK 111 million higher compared to the same period last year. The increase is mainly driven by:
 - Big Catch™ and Just Catch™ projects
 - Ongoing FEEDs, pre-FEEDs, studies and MTU campaigns
- **EBITDA** ended at negative NOK 53 million which was NOK 4 million lower than the same period last year
 - Profit has not yet been recognized for Ørsted Kalundborg CCS. Profit is normally recognized when a project reaches a high level of certainty in cost estimates.
 - Positive contribution from ongoing Big Catch™ and Just Catch™ projects, FEEDs, pre-FEEDs and studies
 - The overall negative EBITDA continued to be driven by high sales and tender activity (including North America) and R&D activities

Second quarter 2023 | Balance sheet

Balance sheet NOK million

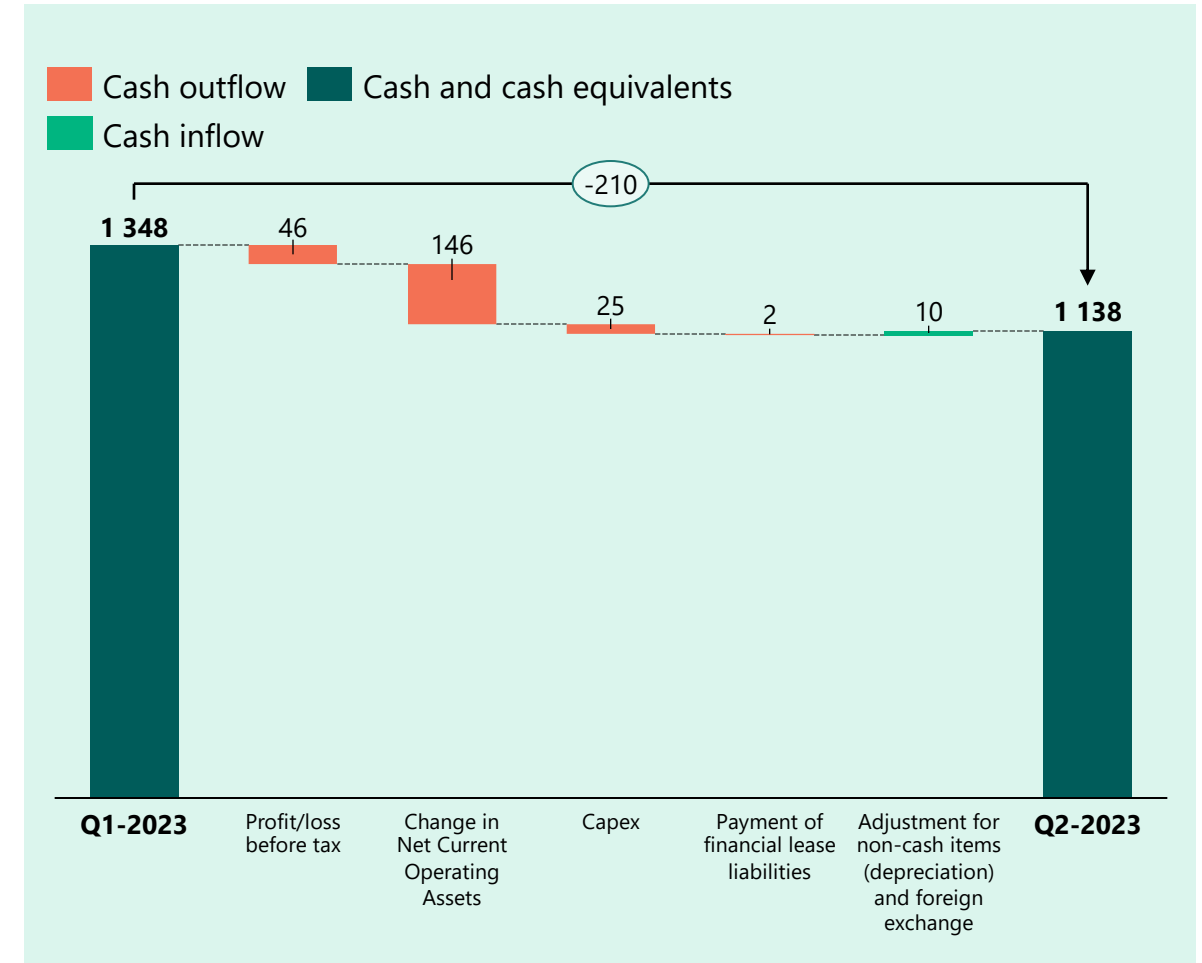


- **Net Current Operating Assets** (net working capital) ended at negative NOK 526 million which represents a strong positive cash position on key projects
- NOK 352 million negative **Net Capital Employed** signalling that the business' operating capital is currently funded by project working capital
- Healthy **Cash and cash equivalents** balance at NOK 1.1 billion which covers all liabilities 1.7 times
- Strong **Equity** position at NOK 0.8 billion

Second quarter 2023 | Cash flow

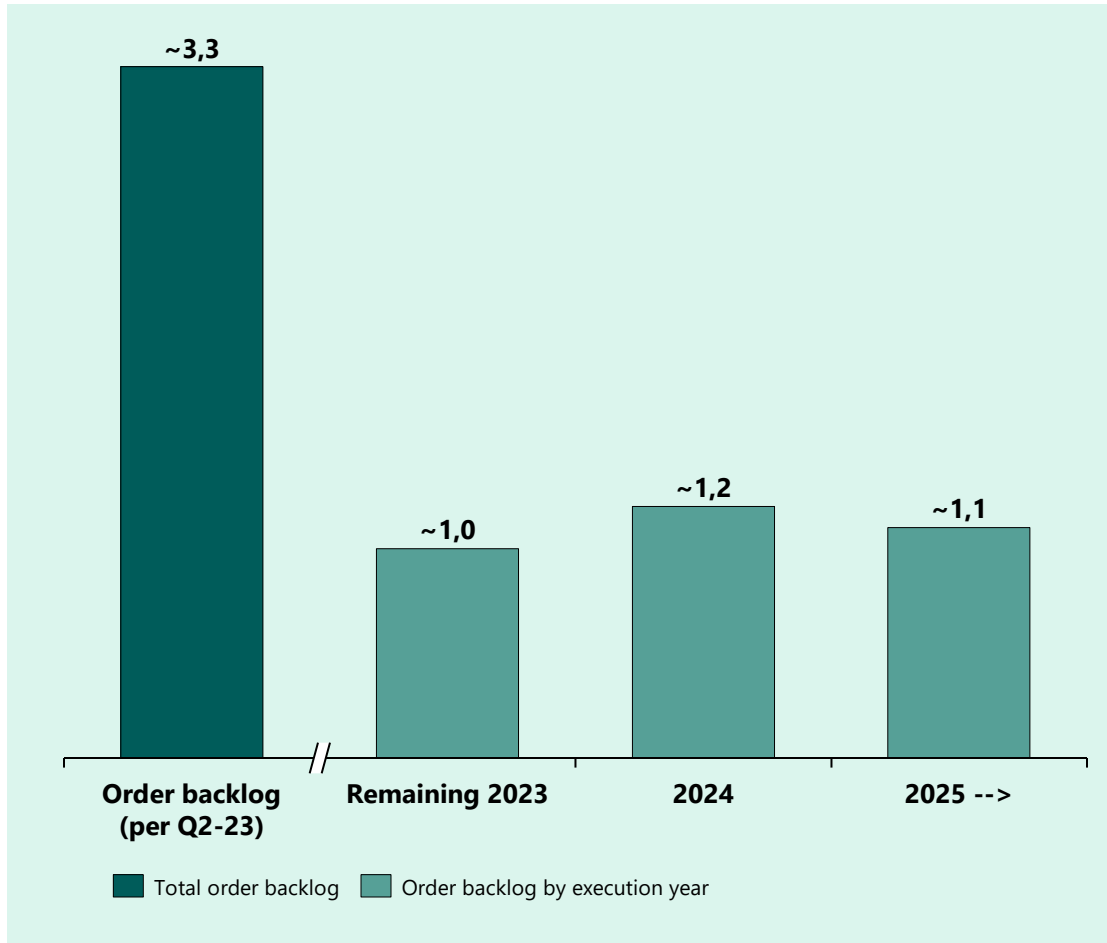
- The quarter ended with an overall cash outflow of NOK 210 million
 - Loss before tax of negative NOK 46 million
 - Outflow of NOK 146 million related to change in Net Current Operating Assets mainly related to milestone payments on key projects
 - CAPEX of NOK 25 million was mainly related to product development and the construction of a new Mobile Test Unit
 - Payment of financial lease liabilities and adjustment for other non-cash items was net positive and represented NOK 8 million
- Cash and cash equivalents ended the quarter at NOK 1,138 million

Cash flow development NOK million



Financial outlook

Order backlog by execution year NOK billion

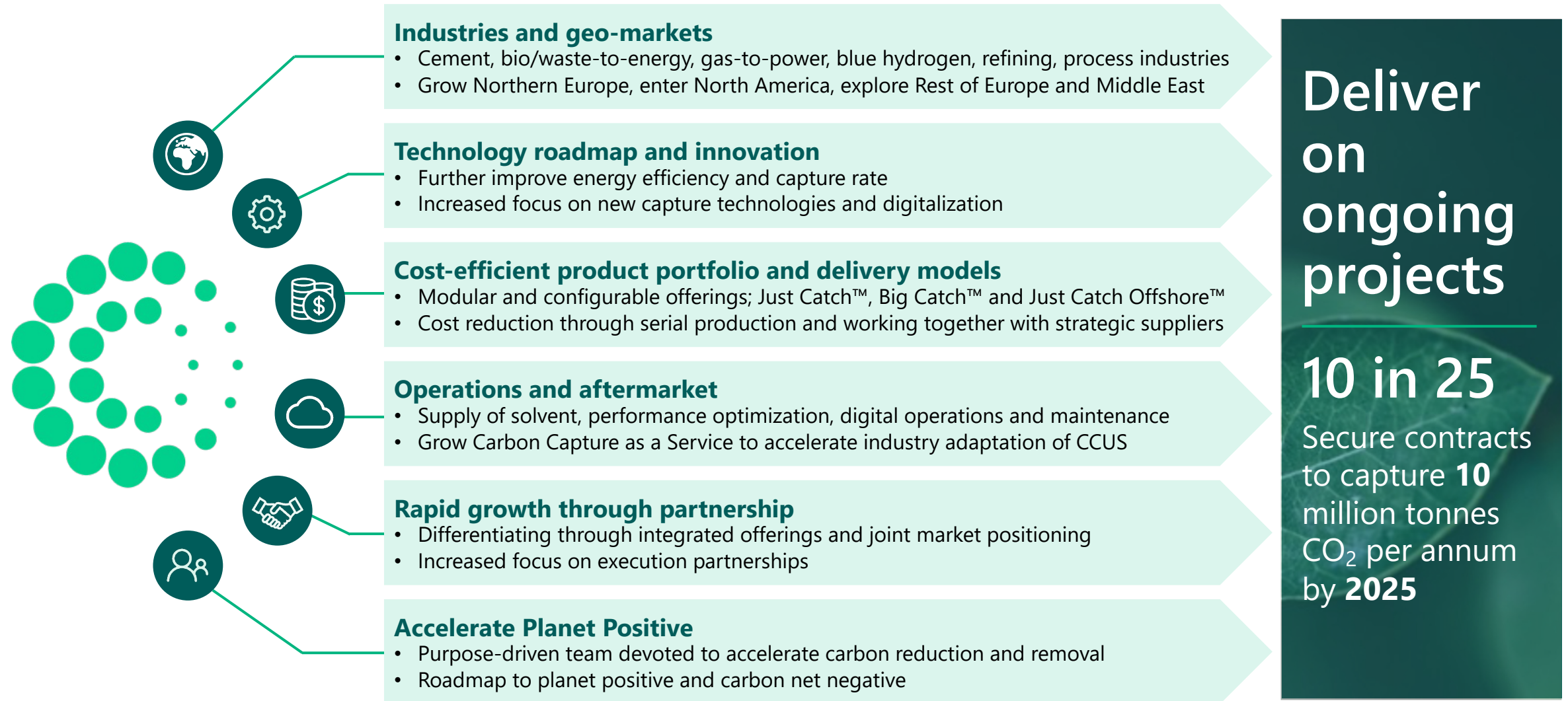


Financial outlook

- Positive impact on gross margin expected when profit is recognized for Ørsted Kalundborg CCS
- Serial delivery of Just Catch™ units over time is expected to improve profit margins
- Salary and personnel cost expected to gradually increase over time on the back of higher activity level and international expansion, with flexibility
- Other operating expenses expected to remain around current levels through the next 6-12 months
- Capex expected to remain around current levels through the next 6-12 months
- Current cash position of NOK 1.1 billion expected to remain around current levels through 2023

Summary

Accelerating planet positive through carbon reduction and removal





Q&A

Appendices

P&L | Balance sheet | Cash flow | Sustainability

Condensed consolidated income statement

<i>Amounts in NOK thousand</i>	Full year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022	Q1 2023	Q2 2023	Half year 2023
Revenues	363,177	144,319	193,640	203,613	239,290	780,863	287,283	305,495	592,778
Materials, goods and services	(332,814)	(129,170)	(171,708)	(183,284)	(221,645)	(705,807)	(261,631)	(278,150)	(539,781)
Salary and other personnel costs	(92,102)	(34,135)	(38,357)	(44,574)	(35,073)	(152,140)	(52,615)	(56,143)	(108,758)
Other operating expenses	(128,104)	(41,689)	(32,159)	(31,353)	(29,463)	(134,663)	(24,408)	(24,383)	(48,792)
EBITDA	(189,843)	(60,675)	(48,584)	(55,597)	(46,891)	(211,746)	(51,372)	(53,181)	(104,553)
Depreciation	(5,346)	(2,597)	(3,014)	(2,597)	(2,799)	(11,008)	(3,871)	(3,196)	(7,067)
Operating profit (loss)	(195,189)	(63,272)	(51,598)	(58,194)	(49,690)	(222,754)	(55,243)	(56,377)	(111,620)
Financial income	3,148	2,445	3,078	5,286	7,569	18,377	6,885	9,506	16,392
Financial expenses	(659)	(186)	(272)	(170)	(165)	(793)	(132)	(124)	(256)
Foreign exchange gain (loss)	399	998	(997)	1,503	(406)	1,097	(757)	480	(277)
Net financial items	2,889	3,257	1,808	6,618	6,998	18,682	5,996	9,862	15,859
Profit (loss) before tax	(192,301)	(60,015)	(49,790)	(51,576)	(42,692)	(204,072)	(49,246)	(46,515)	(95,761)
Income tax benefit (expense)	-	-	-	-	-	-	-	-	-
Net profit (loss)	(192,301)	(60,015)	(49,790)	(51,576)	(42,692)	(204,072)	(49,246)	(46,515)	(95,761)

Condensed consolidated balance sheet | Assets

<i>Amounts in NOK thousand</i>	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Non-current assets							
Intangible assets	11,292	12,256	26,722	57,453	73,152	97,469	117,845
Right-of-use assets	14,242	11,751	9,677	7,604	5,530	3,456	1,382
Property, plant and equipment	7,732	12,382	21,812	26,108	48,892	57,451	59,546
Total non-current assets	33,266	36,389	58,211	91,165	127,573	158,376	178,774
Current assets							
Trade and other receivables	255,306	153,686	40,366	50,171	75,668	40,042	154,244
Derivative financial assets	-	-	-	7,208	677	172	8,199
Cash and cash equivalents	1,321,270	1,485,257	1,451,912	1,372,880	1,092,669	1,348,241	1,137,853
Total current assets	1,576,576	1,638,944	1,492,279	1,430,258	1,169,013	1,388,455	1,300,296
Total assets	1,609,841	1,675,333	1,550,490	1,521,423	1,296,587	1,546,832	1,479,070

Condensed consolidated balance sheet | Equity and liabilities

<i>Amounts in NOK thousand</i>	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Equity							
Share capital	604,242	604,242	604,242	604,294	604,242	604,290	604,242
Other equity and reserves	472,034	411,064	362,581	318,286	273,597	229,437	189,759
Total equity	1,076,276	1,015,307	966,823	922,580	877,839	833,727	794,001
Non-current liabilities							
Pension liabilities	2,685	2,475	2,487	2,836	3,112	2,979	2,969
Non-current lease liabilities	6,091	3,545	1,273	-	-	-	-
Total non-current liabilities	8,775	6,020	3,760	2,836	3,112	2,979	2,969
Current liabilities							
Trade and other payables	515,076	644,292	570,193	587,106	409,279	706,129	680,491
Current lease liabilities	9,714	9,714	9,714	8,686	6,356	3,997	1,609
Derivative financial liabilities	-	-	-	215	-	-	-
Total current liabilities	524,790	654,006	579,907	596,007	415,635	710,126	682,100
Total equity and liabilities	1,609,841	1,675,333	1,550,490	1,521,423	1,296,587	1,546,832	1,479,070

Condensed consolidated statement of cash flow

<i>Amounts in NOK thousand</i>	Full year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022	Q1 2023	Q2 2023	Half year 2023
Profit before tax	(192,301)	(60,015)	(49,790)	(51,576)	(42,692)	(204,072)	(49,246)	(46,515)	(95,761)
<i>Adjustment for:</i>									
Amortisation and depreciation	5,346	2,597	3,014	2,597	2,799	11,008	3,871	3,196	7,067
Hedge adjustment, no cash flow effect	-	-	-	-	1,020	1,020	3,089	9,045	12,134
Changes in net current operating assets	243,039	229,186	40,663	7,721	(203,982)	73,589	331,084	(146,406)	184,677
Accrued interest and foreign exchange	596	1,284	(887)	128	196	721	910	(1,756)	(845)
Cash flow from operating activities	56,680	173,053	(6,999)	(41,130)	(242,658)	(117,734)	289,708	(182,435)	107,272
Acquisition of property, plant and equipment	(5,341)	(4,953)	(9,733)	(4,597)	(23,290)	(42,573)	(6,379)	(3,936)	(10,315)
Payments for capitalized development	(7,769)	(1,184)	(14,686)	(30,952)	(15,919)	(62,741)	(27,351)	(20,597)	(47,948)
Cash flow from investing activities	(13,110)	(6,137)	(24,419)	(35,549)	(39,209)	(105,314)	(33,730)	(24,533)	(58,263)
Payment of finance lease liabilities	(4,888)	(2,429)	(2,787)	(2,429)	(1,804)	(9,448)	(2,359)	(2,388)	(4,747)
Share issue, net of transaction costs	824,888	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	(991)	(991)
Cash flow from financing activities	820,000	(2,429)	(2,787)	(2,429)	(1,804)	(9,448)	(2,359)	(3,379)	(5,738)
FX revaluation of cash	-	(499)	862	74	3,460	3,896	1,953	(41)	1,913
Net cash flow	863,571	163,988	(33,344)	(79,033)	(280,211)	(228,601)	255,572	(210,388)	45,184
Cash and cash equivalent at the beginning	457,699	1,321,270	1,485,257	1,451,913	1,372,880	1,321,270	1,092,669	1,348,241	1,092,669
Cash and cash equivalent at the end	1,321,270	1,485,257	1,451,913	1,372,880	1,092,669	1,092,669	1,348,241	1,137,853	1,137,853

Sustainability focus areas

STRATEGIC TARGETS

Along with the absolute volume of carbon captured there are two important targets for Aker Carbon Capture:



Carbon intensity to be improved by 50% by 2030



Reaching net negative by 2030

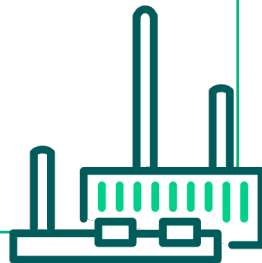
Current Carbon intensity¹

Just Catch™



Capture phase: 0.2%

Big Catch™

Capture phase: 1.6%



ACTIONS TOWARDS 2030

-  Emissions will be reduced through execution, technological, and commercial initiatives such as:
 -  Improve capture rate and energy efficiency
 -  Supply chain engagement, e.g. low carbon materials and reduction targets
 -  Strategic partner engagement, e.g. transport and storage
 -  Purchase of Guarantee of Origin of renewable power
-  Focus on carbon removals including offsetting residual emissions.

HIGHLIGHTS

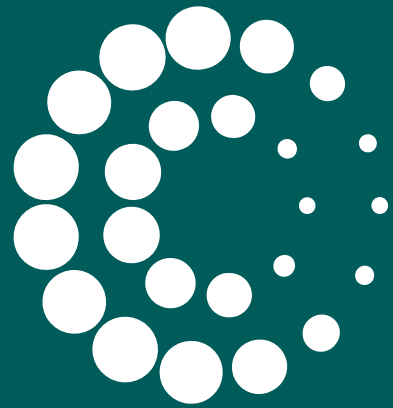


Founding members through Aker ASA. Creates predictability around demand for sustainable and low-carbon materials and products.



We have issued our commitment-letter and moving forward we will collaborate with Science-Based Target initiative to get our targets approved.

¹ NB: Carbon intensity defined as: tCO₂ emitted/tCO₂ captured



AKER CARBON
CAPTURE

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