



AKER CARBON  
CAPTURE

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# Q3 2022

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Oslo, 1 November 2022

Valborg Lundegaard, CEO

Egil Fagerland, CFO





# Agenda

Introduction and third quarter highlights

Operations and business development

Delivery models

Financials

The way forward

Q&A



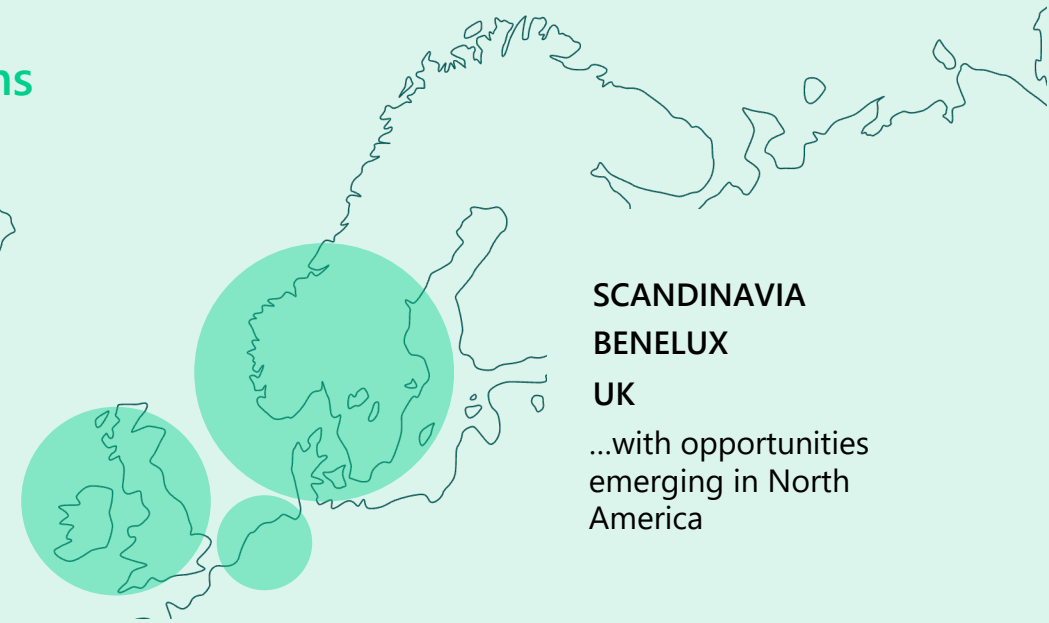
# Aker Carbon Capture in brief

**Pure play** carbon capture company delivering ready-to-use capture plants

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

**Proven** market-leading proprietary technology with more than 50,000 operating hours

## Key regions



SCANDINAVIA

BENELUX

UK

...with opportunities emerging in North America

## Prioritized industries



CEMENT



BIO/WASTE-TO-ENERGY



GAS-TO-POWER



BLUE HYDROGEN

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

# Highlights

## **In construction phase for two large-scale projects:**

- Brevik CCS: installation of key equipment onsite
- Twence CCU: foundations installed

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Carbon capture provider for two FEEDs in UK, both shortlisted for funding

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High activity around Mobile Test Units: starting smelter campaign, new contract signed, second MTU being built

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DNV qualifies Just Catch Offshore™

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Recent milestones accelerating the CCUS market

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Continued revenue growth and solid cash position

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# Operations and business development



# NORCEM HEIDELBERG MATERIALS

## BREVIK CCS

Norway

- 400,000 TPA CO<sub>2</sub> capture and liquefaction plant
- Installation of major equipment onsite, incl. all three Waste Heat Recovery Units
- Creating local employment and strong partnerships
- CO<sub>2</sub> transport by ship to permanent storage as part of Northern Lights



**2020**  
PROJECT START

**25.05.2022**  
INSTALLATION OF FIRST KEY  
EQUIPMENT, FIRST SET OF WASTE  
HEAT RECOVERY UNITS

**2024**  
PLANNED OPERATION

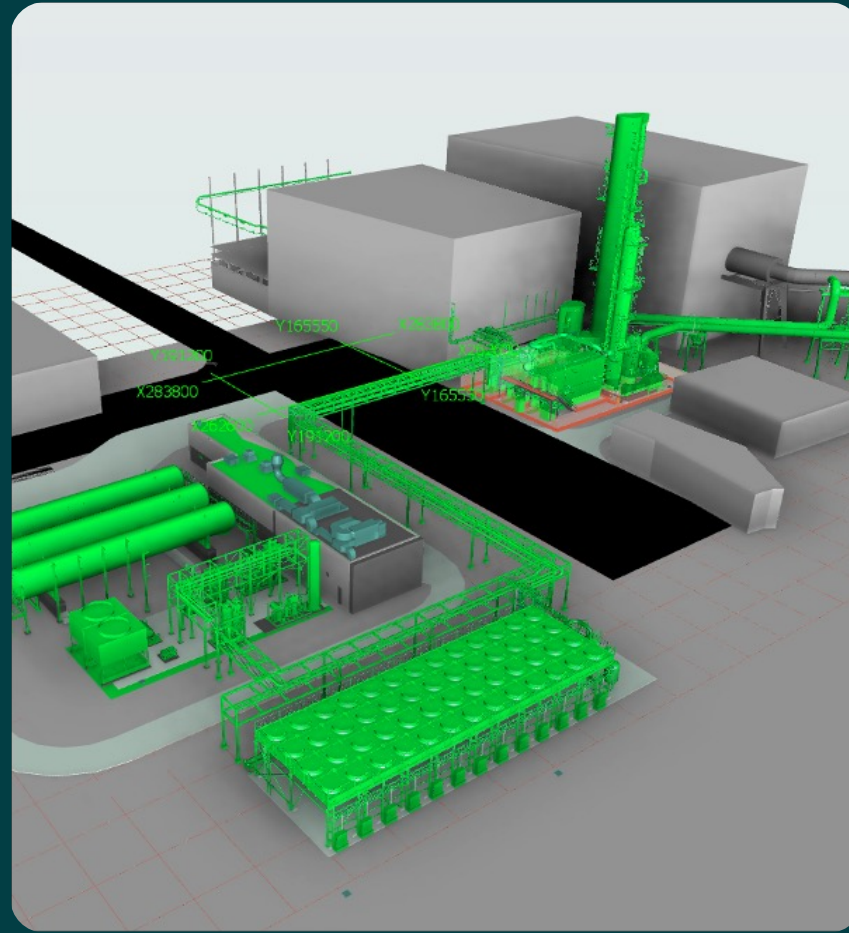




Key equipment is being delivered:  
plate heat exchangers, spiral heat exchanger



Installing foundations on site



## WASTE TO ENERGY TWENCE CCU

Hengelo,  
Netherlands

- Capturing 100,000 TPA
- First of a kind modular carbon capture project on track
- Construction work started, installing foundations on site
- CO<sub>2</sub> will boost local greenhouse production

**Nov 2021**  
SIGNED CONTRACT

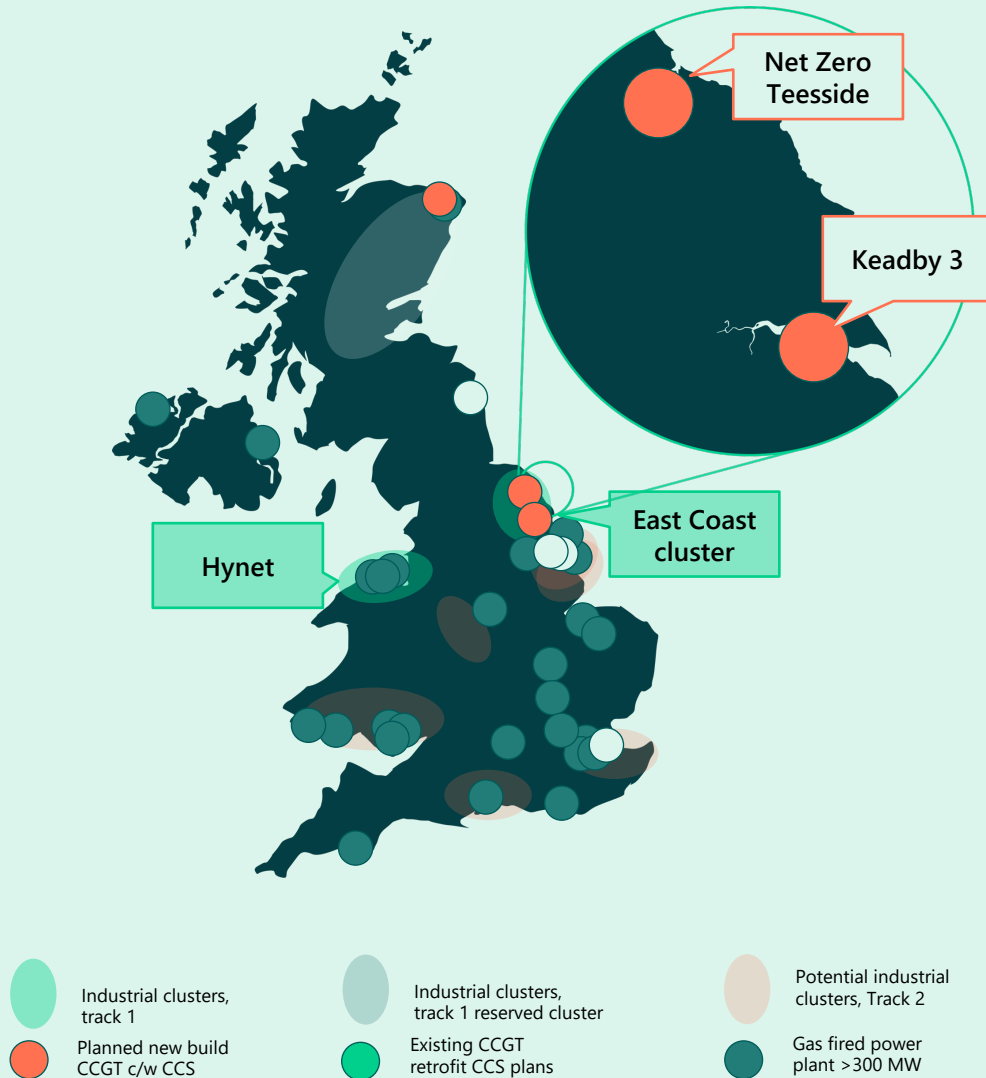
**May 2022**  
GROUND-BREAKING

**End 2023**  
PLANNED OPERATION





## Gas-fired power plants in the UK



## Two flagship projects in UK Track-1 East Coast Cluster

### FEED for SSE Keadby 3 and FEED for bp Net Zero Teesside Power

- Each with design capacity of 2 million tonnes CO<sub>2</sub> per year
- Carbon capture partner to a consortium of Aker Solutions, Siemens Energy and Altrad Babcock
- Both shortlisted for funding

- UK carbon capture aim of 20-30 Mt CO<sub>2</sub> per year by 2030
- Carbon Capture and Storage Infrastructure Fund (CIF) of £1bn





## High Mobile Test Unit activity

Advanced CO<sub>2</sub> capture pilot

- Smelter campaign started in Mo i Rana, Norway for Elkem Rana and SMA Mineral
- Contract signed for new campaign in 2024
- Second MTU being built mid 2023



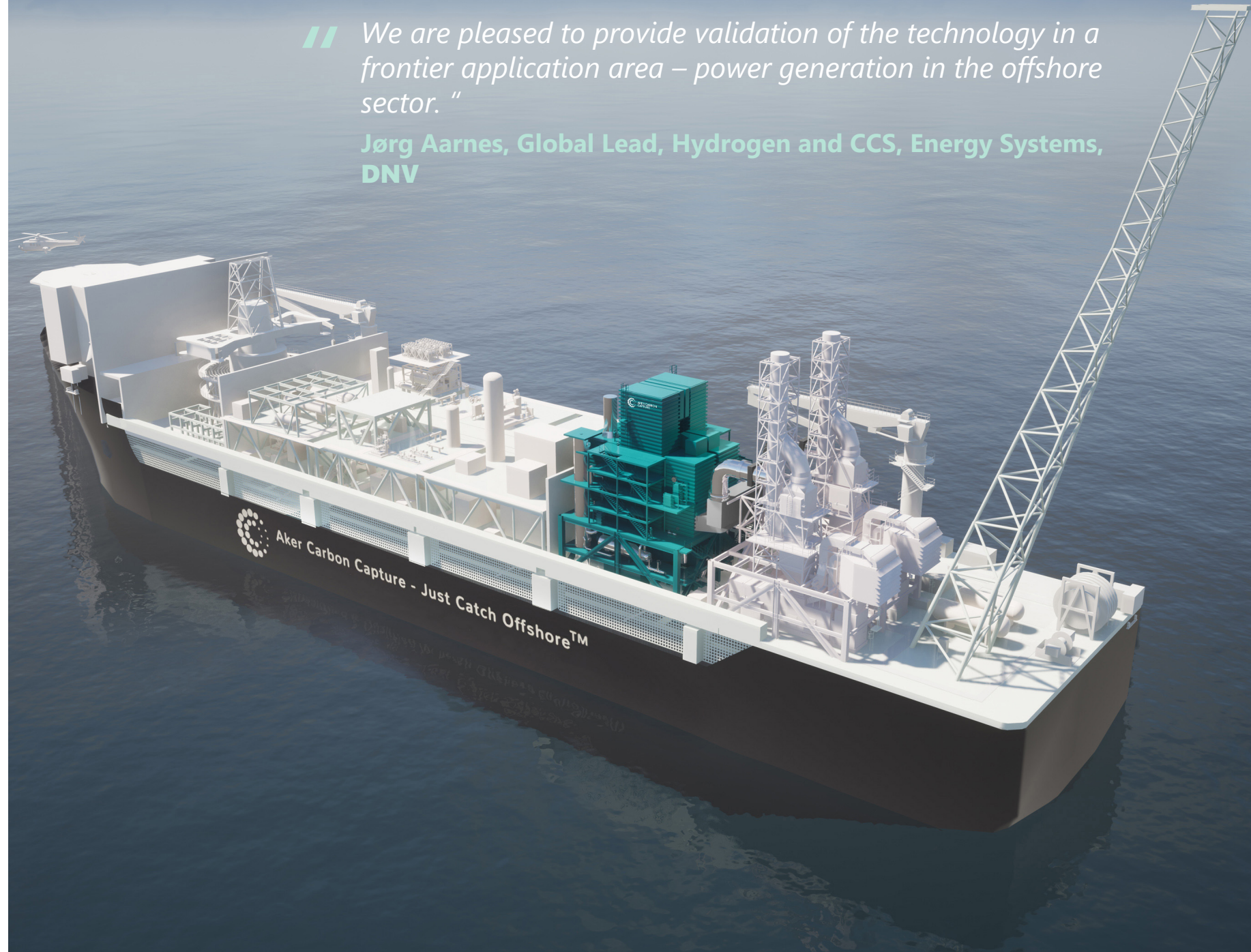


# DNV qualified Just Catch Offshore™

- Modularized carbon capture facility for offshore installations
- Qualified by DNV, the global independent energy expert and assurance provider
- Offshore CCS potential cost-efficient alternative for Power from Shore

// *We are pleased to provide validation of the technology in a frontier application area – power generation in the offshore sector. "*

**Jørg Aarnes, Global Lead, Hydrogen and CCS, Energy Systems, DNV**





# Protecting human rights and decent working conditions



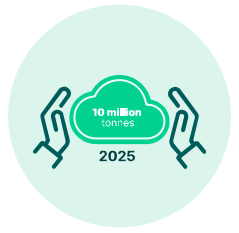
PLANET



PEOPLE



PROSPERITY



GOVERNANCE

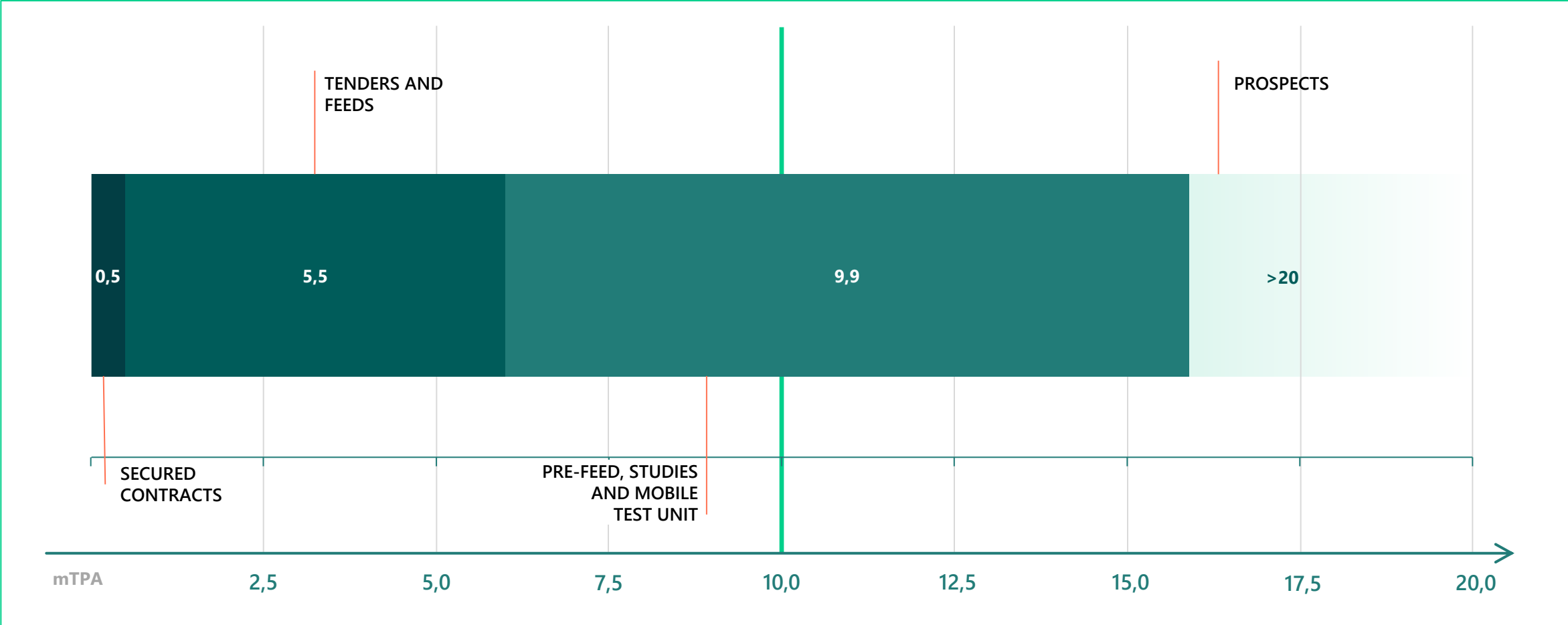
## Aligning business activities with the Norwegian Transparency Act



- Management commitment
- Implementing policies and procedures
- Training employees and creating awareness
- Conducting risk assessment and due diligence of business partners globally
- Continuously improve and correct
- Ongoing communication with stakeholders



# Continued progress toward 10 in 25





# Recent milestones accelerating the CCUS market



## Increased CO<sub>2</sub> storage capacity in Northern Europe

- Several storage sites will be in operation second half of the decade
- New storage operators on the Norwegian Continental Shelf (NCS)



## CO<sub>2</sub> pipeline from Germany to Norway

- Connecting continental European emitters to offshore storage sites on NCS
- Wilhelmshaven key access point for joint CCS/H<sub>2</sub> infrastructure



## US Inflation Reduction Act signed by President Biden

- Enhancing 45Q tax credit system, making CCUS economically viable to implement in a wider range of industries
- Climate and energy spending of at least \$369 billion




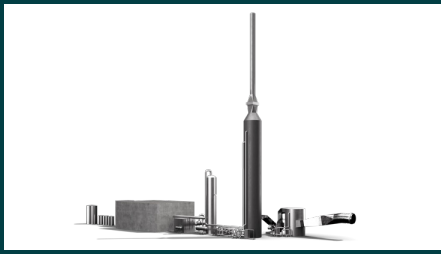



## Delivery models



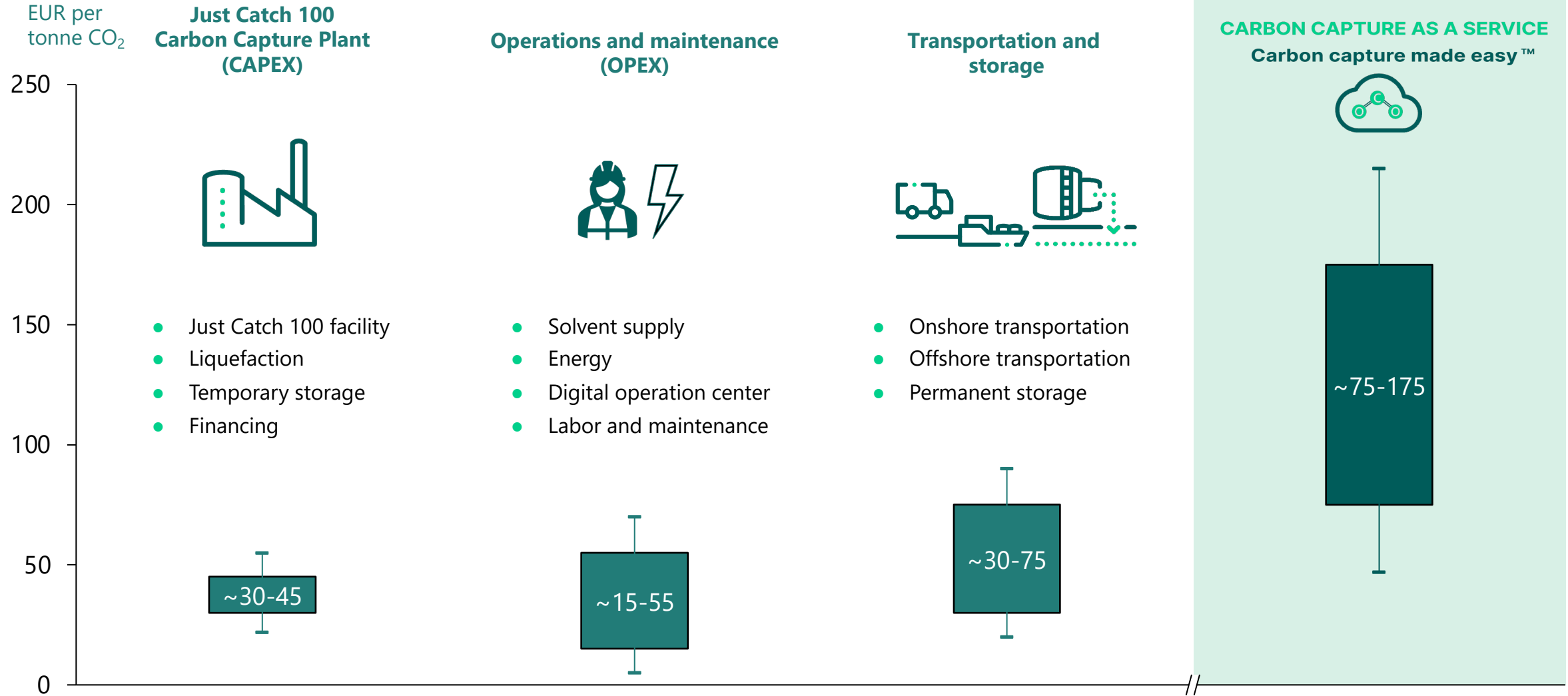
# Broad product offering with range of delivery models

Three core carbon capture products offered by Aker Carbon Capture

Key offerings	Delivery models						
 <p><b>Just Catch™</b> Capacity: 40 and 100 ktpa</p>	<table><thead><tr><th>EPC</th><th>Licensing</th><th>CCaaS</th></tr></thead><tbody><tr><td>✓</td><td>✗</td><td>✓</td></tr></tbody></table>	EPC	Licensing	CCaaS	✓	✗	✓
EPC	Licensing	CCaaS					
✓	✗	✓					
 <p><b>Big Catch</b> Capacity: &gt; 400 ktpa</p>	<table><thead><tr><th>EPC</th><th>Licensing</th><th>CCaaS</th></tr></thead><tbody><tr><td>✓</td><td>✓</td><td>✗</td></tr></tbody></table>	EPC	Licensing	CCaaS	✓	✓	✗
EPC	Licensing	CCaaS					
✓	✓	✗					
 <p><b>Just Catch Offshore™</b> Capacity: 120 – 360 ktpa</p>	<table><thead><tr><th>EPC</th><th>Licensing</th><th>CCaaS</th></tr></thead><tbody><tr><td>✓</td><td>✓</td><td>✗</td></tr></tbody></table>	EPC	Licensing	CCaaS	✓	✓	✗
EPC	Licensing	CCaaS					
✓	✓	✗					

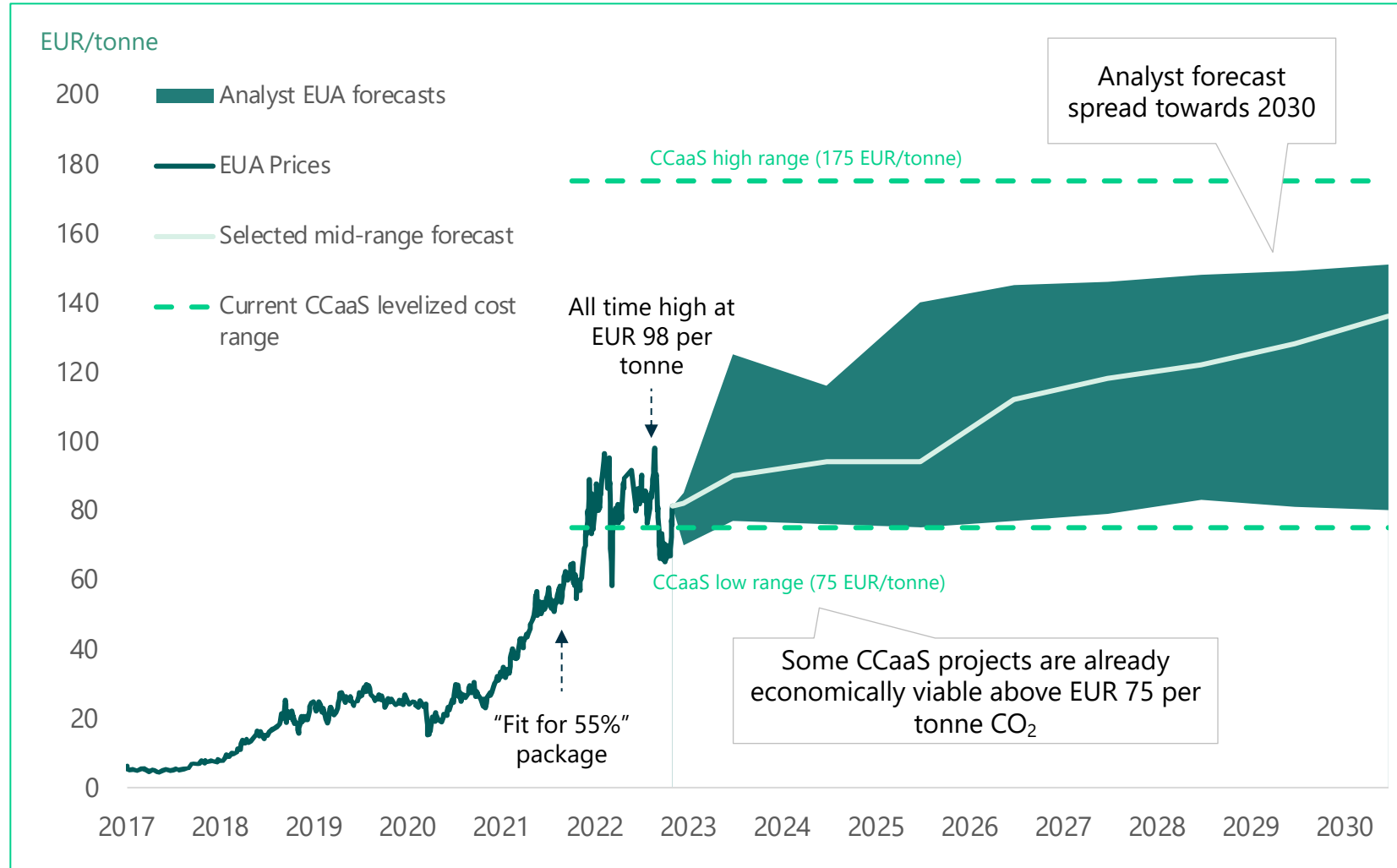


# Indicative levelized cost of Carbon Capture as a Service





# Full CCS value chain economics turning positive



- Volatile quarter, with EUA currently around 80 EUR/tonne
- Higher EU ETS uncertainty on the back of political talks to finance the REPowerEU legislative package through selling allowances, increasing supply in the short term
- Long term outlook remains sound and analysts still predict a range between 80-150 EUR per tonne in 2030
- Supported by IEA's World Energy Outlook, which based on announced net zero pledges expect a carbon price at EUR 135 per tonne in 2030<sup>1</sup>



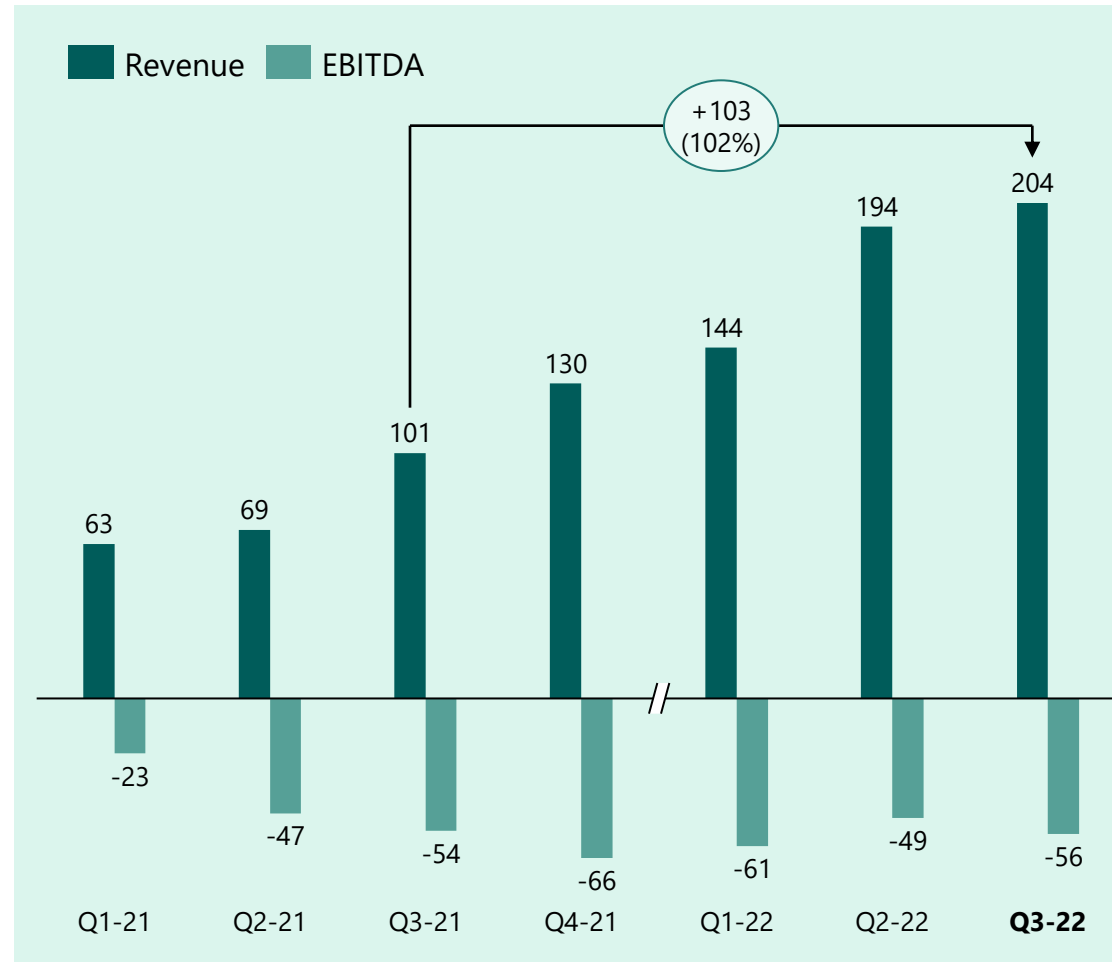


# Financials



# Q3 2022 | Income Statement

## Revenue and EBITDA NOK million

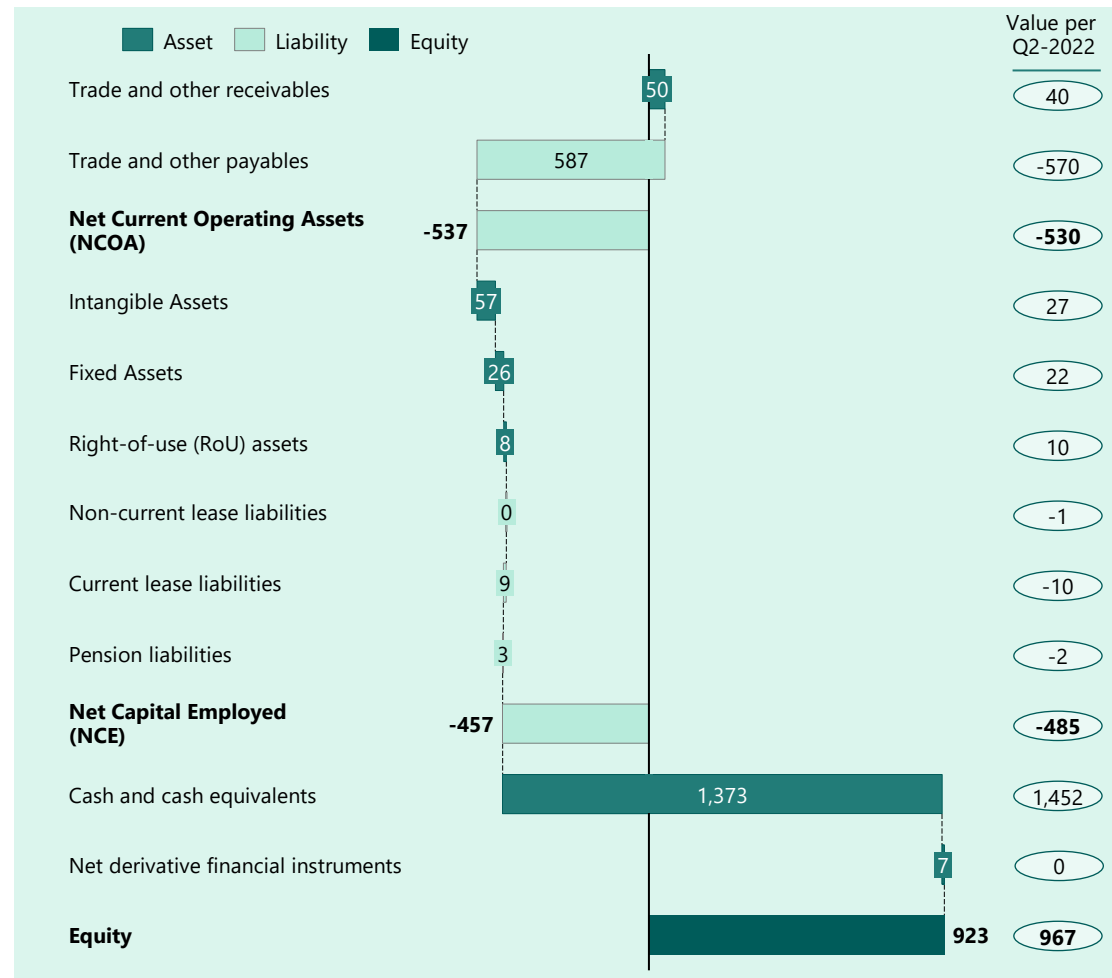


- **Revenue** ended at NOK 204 million which was doubling compared to the same period last year
  - Mainly driven by Brevik CCS, Twence Just Catch CCU, bp Net Zero Teesside Power FEED and SSE Keadby 3 FEED
  - Other FEEDs and studies also contributed in the period
- **EBITDA** ended at negative NOK 56 million which was in line with the same quarter last year
  - Brevik CCS main positive EBITDA driver in the period
  - Contribution from ongoing FEED projects and studies also contributed favourably in the quarter
  - Profit has not yet been recognised on Twence Just Catch CCU. Profit will only be recognized when the outcome and estimates can be reliably measured, which for Twence is expected when the site installation purchase order has been successfully placed.
  - The overall negative EBITDA continued to be driven by expenses related to R&D projects, digitalization projects, tenders, business development and sales activities.



# Q3 2022 | Balance Sheet

## Balance sheet NOK million

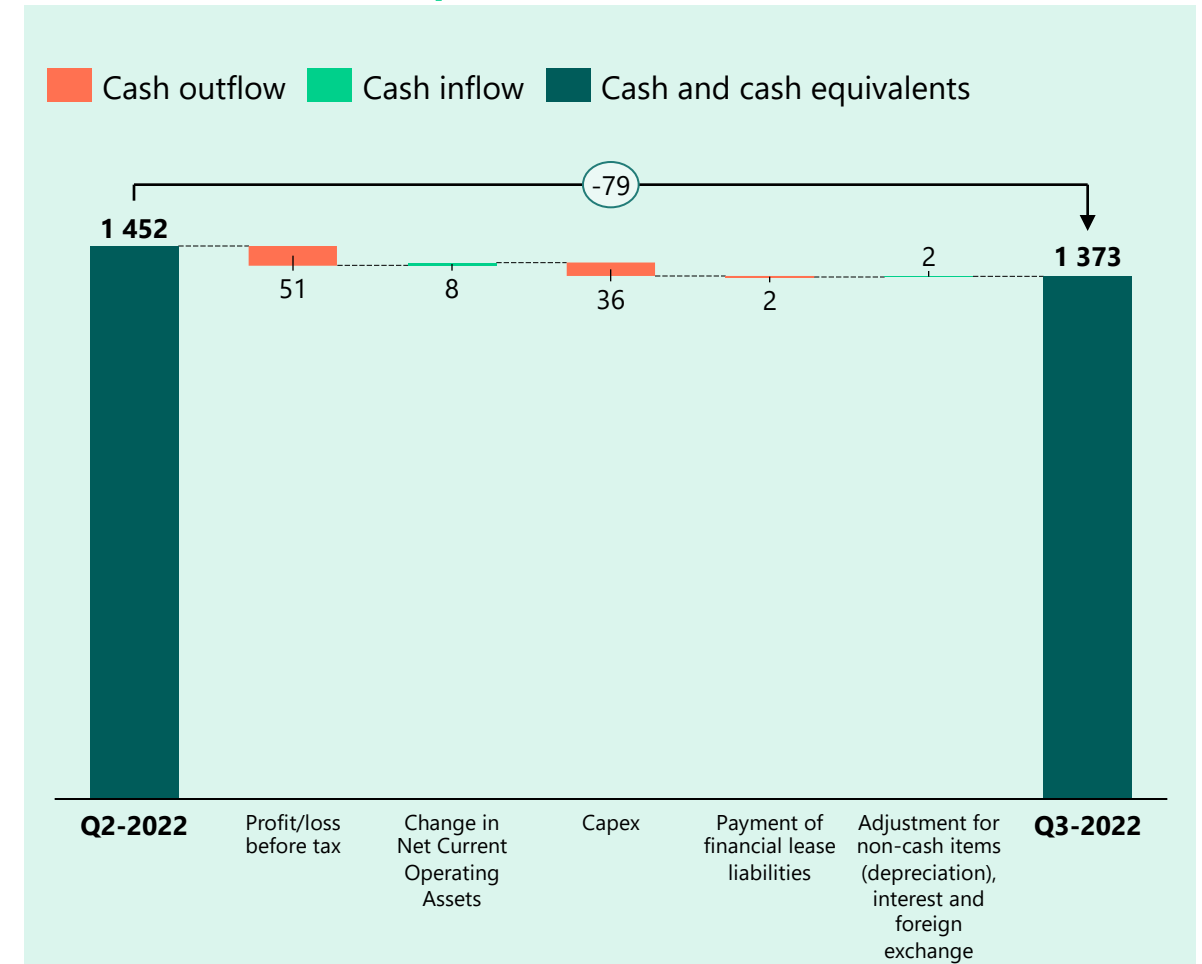


- **Net Current Operating Assets** (net working capital) ended at negative NOK 537 million which represented a strong positive cash position on key projects
- NOK 457 million negative **Net Capital Employed** signalling that the business' operating capital is currently funded by project working capital
- Healthy **Cash and cash equivalents** balance at NOK 1.4 billion which could cover all liabilities 2.3 times
- Strong **Equity** position at NOK 0.9 billion

# Q3 2022 | Cash flow

- The quarter ended with an overall cash outflow of NOK 79 million
  - Loss before tax of negative NOK 51 million represented a cash outflow
  - Inflow of NOK 8 million related to change in Net Current Operating Assets in the period
  - CAPEX of NOK 36 million was mainly related to product development and standardization, and the construction of a new mobile test unit
  - Payment of financial lease liabilities and adjustment for other non-cash items was net neutral and represented NOK 0 million
- Cash and cash equivalents ended the quarter at NOK 1,373 million

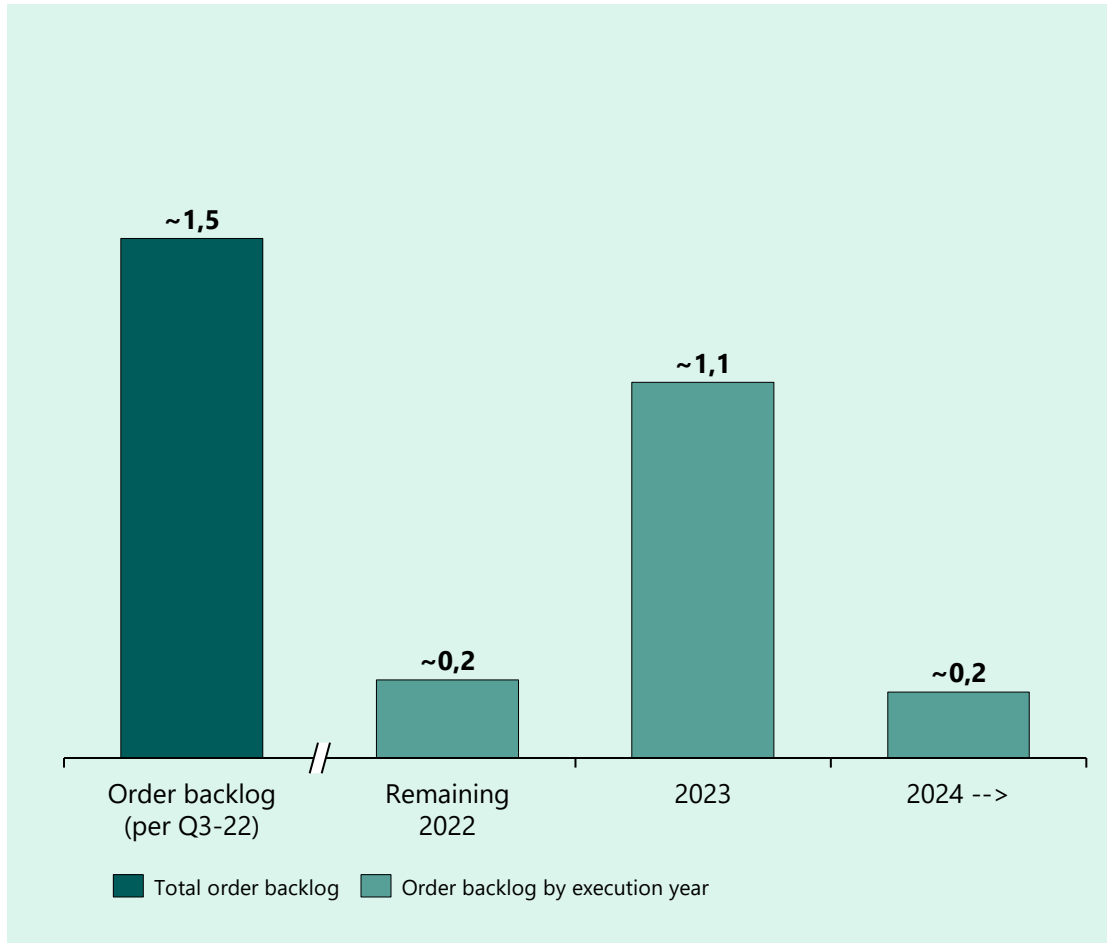
## Cash flow development NOK million





# Financial outlook

## Order backlog by execution year NOK billion



## SG&A and operating expenses

- Total salary, personnel and other operating costs reached NOK 76 million in Q3 2022
- Excluding costs associated with projects, we expect to see operating expenses through the next six months around similar levels, with significant flexibility

## Cash balance

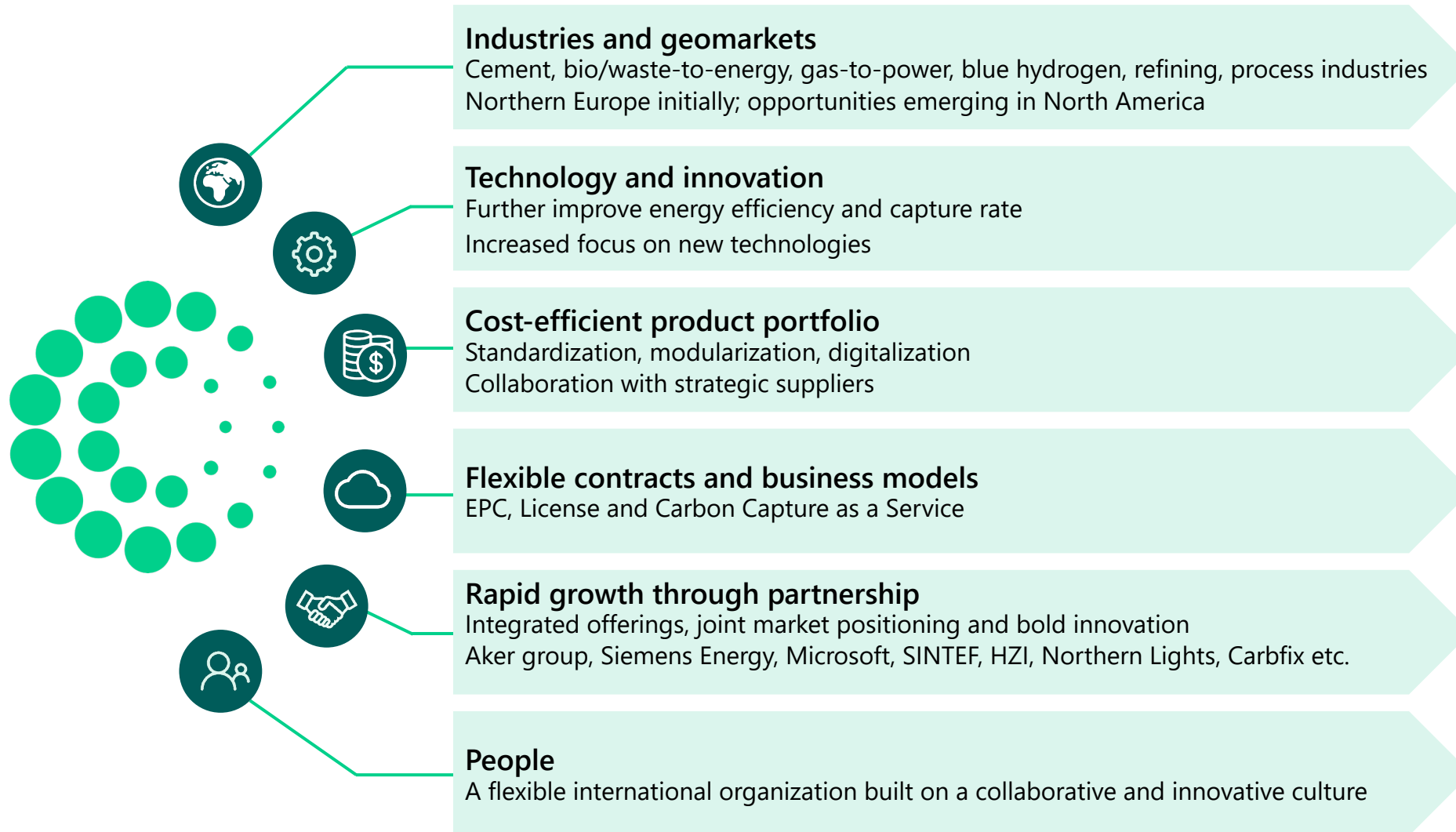
- Q3-22 net cash of NOK 1.4 billion, driven by expected project-related cash outflows
- Expect further project progress to use cash this year, with net cash around NOK 1.1 billion by year end, but positive project-related flows in 2023



**Way forward**



# Way forward



**Deliver  
on  
ongoing  
projects**

**10 in 25**  
Secure contracts  
to capture **10**  
million tonnes  
CO<sub>2</sub> per annum  
by **2025**



Q&A





# Appendices

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P&L



Balance sheet



Cash flow



ESG

# Condensed consolidated income statement

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	YTD 2022
<b>Revenues</b>	<b>63,452</b>	<b>69,318</b>	<b>100,848</b>	<b>129,560</b>	<b>144,319</b>	<b>193,640</b>	<b>203,613</b>	<b>541,573</b>
Materials, goods and services	(62,811)	(67,978)	(83,508)	(118,517)	(129,170)	(171,708)	(183,284)	(484,162)
Salary and other personnel costs	(8,007)	(14,446)	(35,313)	(34,336)	(34,135)	(38,357)	(44,574)	(117,066)
Other operating expenses	(15,298)	(34,085)	(36,454)	(42,267)	(41,689)	(32,159)	(31,353)	(105,201)
<b>EBITDA</b>	<b>(22,664)</b>	<b>(47,192)</b>	<b>(54,427)</b>	<b>(65,561)</b>	<b>(60,675)</b>	<b>(48,584)</b>	<b>(55,597)</b>	<b>(164,855)</b>
Depreciation	(1,334)	(1,334)	(1,334)	(1,343)	(2,597)	(3,014)	(2,597)	(8,208)
<b>Operating profit (loss)</b>	<b>(23,998)</b>	<b>(48,526)</b>	<b>(55,761)</b>	<b>(66,904)</b>	<b>(63,272)</b>	<b>(51,598)</b>	<b>(58,194)</b>	<b>(173,064)</b>
Financial income	327	234	633	1,954	2,445	3,078	5,286	10,808
Financial expenses	(174)	(163)	(168)	(154)	(186)	(272)	(170)	(628)
Foreign exchange gain (loss)	19	(102)	49	433	998	(997)	1,503	1,504
<b>Net financial items</b>	<b>172</b>	<b>(32)</b>	<b>514</b>	<b>2,234</b>	<b>3,257</b>	<b>1,808</b>	<b>6,618</b>	<b>11,684</b>
<b>Profit (loss) before tax</b>	<b>(23,826)</b>	<b>(48,558)</b>	<b>(55,247)</b>	<b>(64,670)</b>	<b>(60,015)</b>	<b>(49,790)</b>	<b>(51,576)</b>	<b>(161,380)</b>
Income tax benefit (expense)	-	-	-	-	-	-	-	-
<b>Net profit (loss)</b>	<b>(23,826)</b>	<b>(48,558)</b>	<b>(55,247)</b>	<b>(64,670)</b>	<b>(60,015)</b>	<b>(49,790)</b>	<b>(51,576)</b>	<b>(161,380)</b>



# Condensed consolidated balance sheet - Assets

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	31/12/2021	Q1 2022	Q2 2022	Q3 2022
<b>Non-current assets</b>								
Intangible assets	3,884	3,884	4,210	11,292	11,292	12,256	26,722	57,453
Right-of-use assets	11,928	10,673	9,417	14,242	14,242	11,751	9,677	7,604
Property, plant and equipment	3,597	3,606	5,345	7,732	7,732	12,382	21,812	26,108
<b>Total non-current assets</b>	<b>19,410</b>	<b>18,162</b>	<b>18,973</b>	<b>33,266</b>	<b>33,266</b>	<b>36,389</b>	<b>58,211</b>	<b>91,165</b>
<b>Current assets</b>								
Trade and other receivables	202,643	239,468	146,072	255,306	255,306	153,686	40,366	50,171
Derivative financial assets	-	-	-	-	-	-	-	7,208
Cash and cash equivalents	483,666	552,452	1,398,182	1,321,270	1,321,270	1,485,257	1,451,912	1,372,880
<b>Total current assets</b>	<b>686,309</b>	<b>791,920</b>	<b>1,544,255</b>	<b>1,576,576</b>	<b>1,576,576</b>	<b>1,638,944</b>	<b>1,492,279</b>	<b>1,430,258</b>
<b>Total assets</b>	<b>705,719</b>	<b>810,082</b>	<b>1,563,227</b>	<b>1,609,841</b>	<b>1,609,841</b>	<b>1,675,333</b>	<b>1,550,490</b>	<b>1,521,423</b>

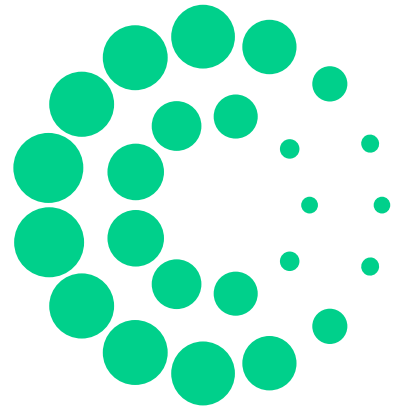
# Condensed consolidated balance sheet – Equity and liabilities

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	31/12/2021	Q1 2022	Q2 2022	Q3 2022
<b>Equity</b>								
Share capital	566,060	566,060	604,242	604,242	604,242	604,242	604,242	604,294
Other equity and reserves	(138,026)	(186,584)	537,493	472,034	472,034	411,064	362,581	318,286
<b>Total equity</b>	<b>428,034</b>	<b>379,476</b>	<b>1,141,736</b>	<b>1,076,276</b>	<b>1,076,276</b>	<b>1,015,307</b>	<b>966,823</b>	<b>922,580</b>
<b>Non-current liabilities</b>								
Pension liabilities	2,849	2,981	2,981	2,685	2,685	2,475	2,487	2,836
Non-current lease liabilities	7,896	6,508	5,109	6,091	6,091	3,545	1,273	-
<b>Total non-current liabilities</b>	<b>10,745</b>	<b>9,489</b>	<b>8,090</b>	<b>8,934</b>	<b>8,775</b>	<b>6,020</b>	<b>3,760</b>	<b>2,836</b>
<b>Current liabilities</b>								
Trade and other payables	261,547	415,239	407,202	515,076	515,076	644,292	570,193	587,106
Current lease liabilities	5,393	5,877	6,200	9,714	9,714	9,714	9,714	8,686
Derivative financial liabilities	-	-	-	-	-	-	-	215
<b>Total current liabilities</b>	<b>266,940</b>	<b>421,116</b>	<b>413,402</b>	<b>524,631</b>	<b>524,790</b>	<b>654,006</b>	<b>579,907</b>	<b>596,007</b>
<b>Total equity and liabilities</b>	<b>705,719</b>	<b>810,082</b>	<b>1,563,227</b>	<b>1,609,841</b>	<b>1,609,841</b>	<b>1,675,333</b>	<b>1,550,490</b>	<b>1,521,423</b>



# Condensed consolidated statement of cash flow

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	YTD 2022
Profit before tax	(23,826)	(48,558)	(55,247)	(64,670)	(60,015)	(49,790)	(51,576)	(161,380)
<i>Adjustment for:</i>								
Amortisation and depreciation	1,334	1,334	1,334	1,343	2,597	3,014	2,597	8,208
Changes in net current operating assets	50,508	117,000	77,264	(1,733)	229,186	40,663	7,721	277,571
Accrued interest and foreign exchange	174	162	151	109	1,284	(887)	128	525
<b>Cash flow from operating activities</b>	<b>28,190</b>	<b>69,939</b>	<b>23,502</b>	<b>(64,951)</b>	<b>173,053</b>	<b>(6,999)</b>	<b>(41,130)</b>	<b>124,924</b>
Acquisition of property, plant and equipment	(1,066)	(87)	(1,819)	(2,369)	(4,953)	(9,733)	(4,597)	(19,283)
Payments for capitalized development	(92)	-	(326)	(7,351)	(1,184)	(14,686)	(30,952)	(46,822)
<b>Cash flow from investing activities</b>	<b>(1,158)</b>	<b>(87)</b>	<b>(2,145)</b>	<b>(9,720)</b>	<b>(6,137)</b>	<b>(24,419)</b>	<b>(35,549)</b>	<b>(66,106)</b>
Payment of finance lease liabilities	(1,066)	(1,066)	(1,227)	(1,530)	(2,429)	(2,787)	(2,429)	(7,644)
Share issue, net of transaction costs	-	-	825,600	(712)	-	-	-	-
<b>Cash flow from financing activities</b>	<b>(1,066)</b>	<b>(1,066)</b>	<b>824,373</b>	<b>(2,242)</b>	<b>(2,429)</b>	<b>(2,787)</b>	<b>(2,429)</b>	<b>(7,644)</b>
FX revaluation of cash	-	-	-	-	(499)	862	74	436
<b>Net cash flow</b>	<b>25,966</b>	<b>68,787</b>	<b>845,730</b>	<b>(76,913)</b>	<b>163,988</b>	<b>(33,344)</b>	<b>(79,033)</b>	<b>51,610</b>
Cash and cash equivalent at the beginning of the period	457,699	483,665	552,452	1,398,182	1,321,270	1,485,257	1,451,913	1,321,270
<b>Cash and cash equivalent at the end of the period</b>	<b>483,665</b>	<b>552,452</b>	<b>1,398,182</b>	<b>1,321,270</b>	<b>1,485,257</b>	<b>1,451,913</b>	<b>1,372,880</b>	<b>1,372,880</b>



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