



AKER CARBON
CAPTURE

Q1 2022

Oslo, 28 April, 2022

Valborg Lundegaard, CEO

Egil Fagerland, CFO

Agenda

Introduction and first quarter highlights

ESG focus areas

Market trends

Operations and business development

Finance

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

Validated and certified market-leading proprietary technology with more than 50,000 operating hours





Highlights

Brevik and Twence projects progressing according to schedule

Work commenced on FEED for BP Net Zero Teesside

Continued high level of market activity, studies and tenders

Clear need for CCUS from UN IPCC report

MoUs signed:

- Microsoft
 - Northern Lights
-

Collaboration agreement with SINTEF

Continued strong revenue growth through Q1 2022

MoU with Microsoft



Valborg Lundegaard and Darryl Wills, CVP of Energy Industry at Microsoft, signing the MoU in Seattle

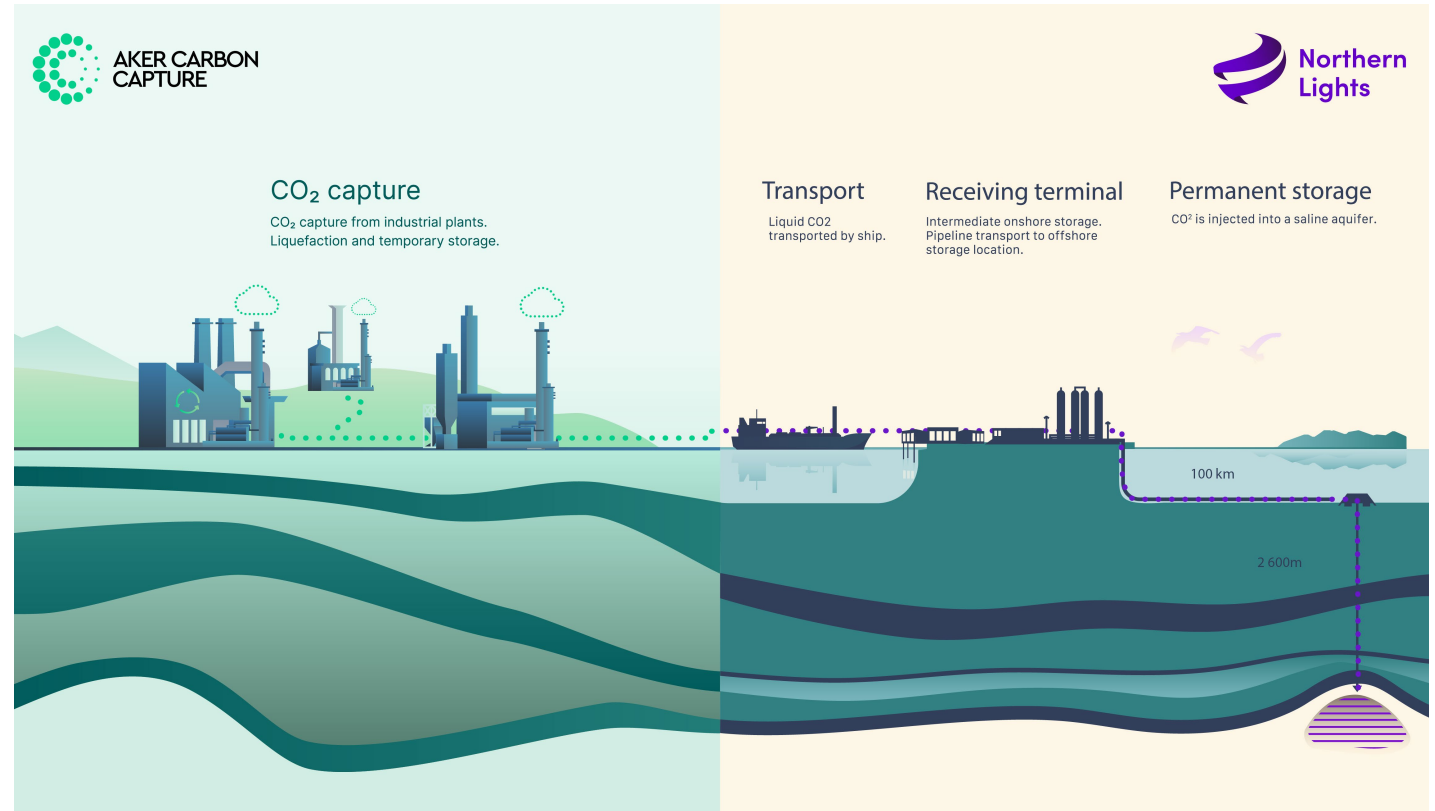
Collaboration with Microsoft for scaling of the carbon capture value chain

- Using the combined strength of the two companies' technology expertise
- Demonstrating the full value chain of carbon reduction and removal
- Enable the ecosystem for the voluntary carbon market, providing traceability and data - ensuring high-quality carbon credits

MoU with Northern Lights

Accelerating the CCS market through full value-chain offerings in Norway and across Europe

- Optimize logistics and standardize ship-shore interfaces
- Build on learnings from the Longship project
- Develop source-to-storage decarbonization on a pay per tonne of captured CO₂ model



Agreement with SINTEF



Expanding collaboration to develop next-generation CCUS technology

- Accelerating the transfer of science and research to innovation in the market
- Explore opportunities to develop new capture technologies
- Access to SINTEF's significant testing infrastructure

MoUs with Dan-Unity CO₂, Altera and Höegh LNG



Exploring solutions for maritime CO₂ transport

- Collaboration agreement signed with Dan-Unity CO₂ in Denmark – the world's first CO₂-focused shipping player
- Ambition to establish an optimized and flexible full value chain for CCUS
- Development of sea-based transport opens up multiple sourcing points and economies of scale

Strengthening the transport and storage value chain

- Non-exclusive collaboration between Aker Carbon Capture, Altera Infrastructure and Höegh LNG
- Partnership targets cost-effective implementation of full CCUS value chain, supporting Aker Carbon Capture's Carbon Capture as a Service offering
- Altera and Höegh involved with Stella Maris CCS project in Norway based around large-scale transport of CO₂ to offshore storage

ESG 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

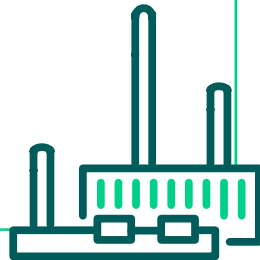
Current Carbon intensity¹

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 SO FAR



First Movers
Coalition

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



SCIENCE
BASED
TARGETS

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



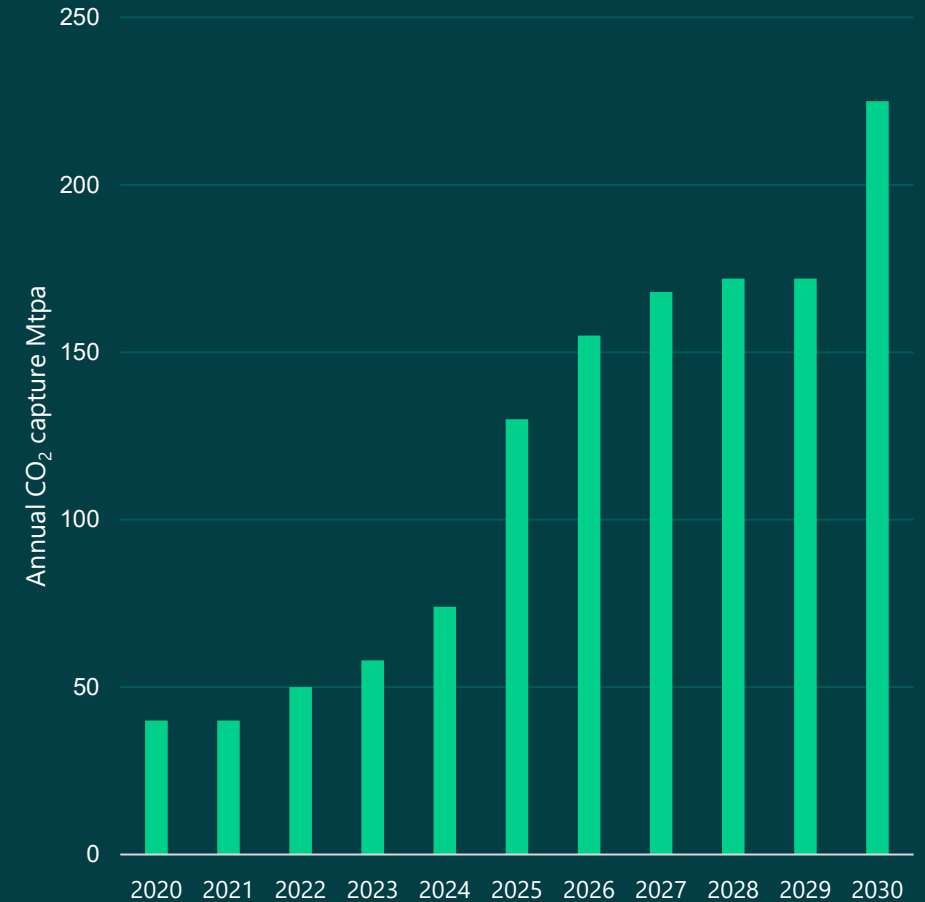


Market trends

Market outlook supportive for strong CCS growth

- Major IPCC report (AR6) underlines clear need for CCS, CCU and Carbon Dioxide Removals (CDRs) to mitigate climate change
- BNEF sees over 4x increase in global CCS investment by 2025, with cumulative spend reaching \$52 bn mid-decade
- Further acceleration likely, with the IEA's 'Net Zero Emissions by 2050' pathway indicating capacity needs to grow by 8-11x over the next 8 years
- Corporate net zero strategies driving clear momentum in voluntary carbon removal markets in 2022, with higher carbon offset prices
- Firm policy support continues:
 - European Union climate targets legally binding
 - Repower EU package and European Parliament approve extension of 24% MSR withdrawal rate as part of EU decarbonisation strategy
 - Proposed regulation for carbon removal certificates in Europe
 - North American policy momentum growing – both USA and Canada

CCUS capacity (Mtpa)

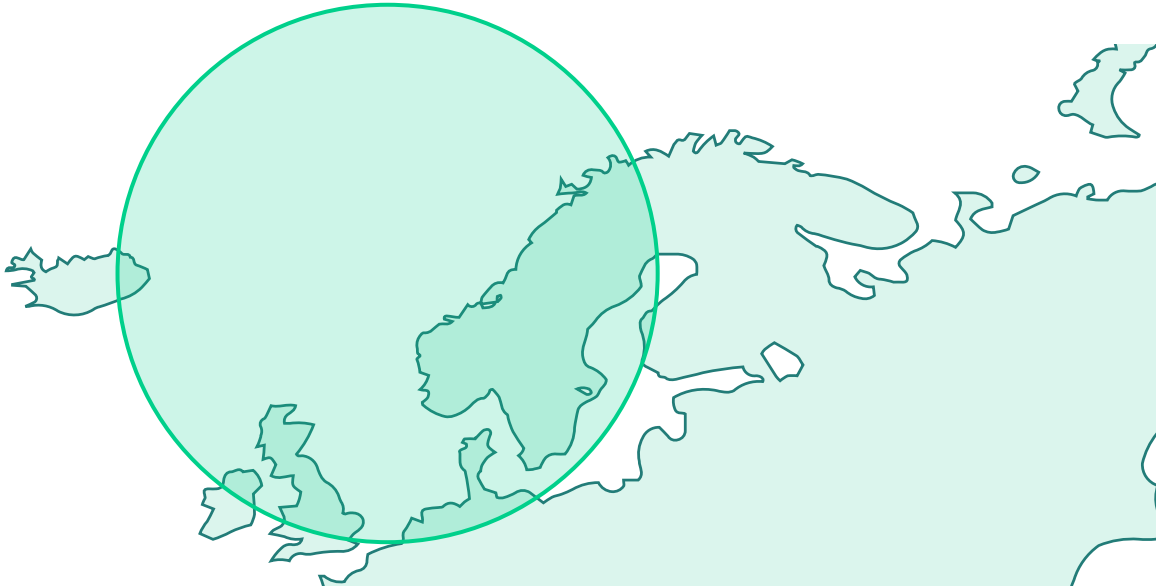


Source: BNEF



Operations and business development

Key markets and industries



Main activity in Northern European markets

- Scandinavia, Benelux, and the UK
...with opportunities emerging in North America

Prioritized industries



Cement



Bio/Waste-to-Energy



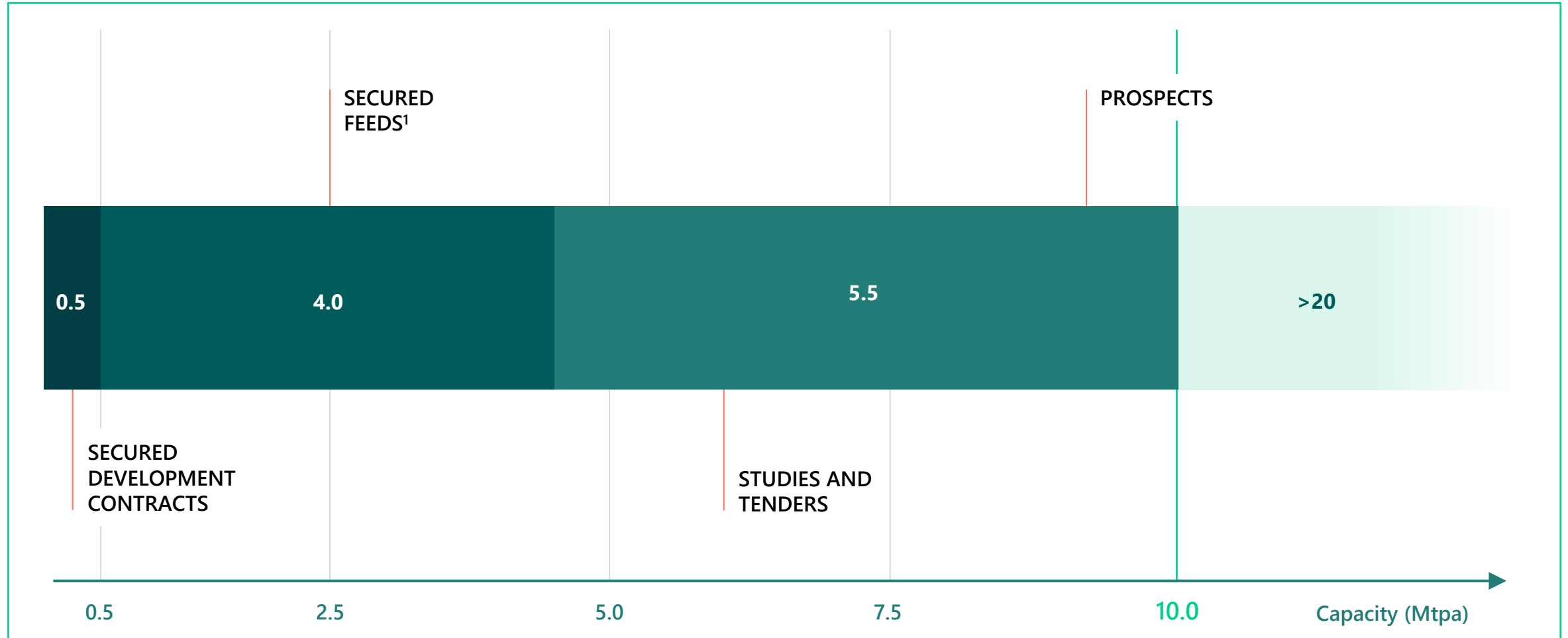
Gas-to-Power



Blue hydrogen

...and engagement with new industry segments like pulp & paper, smelting, engineered carbon

Progress toward 10 in 25



¹ Note: Includes BP Net Zero Teesside and non-disclosed work

Cement industry

Brevik CCS

- Project to deliver the world's first CCS plant at a cement facility
- Started up in January 2021, progressing according to plan
- Scope: EPC delivery of a complete CO₂ capture plant in Brevik, Norway for HeidelbergCement Norcem
- Plant capture capacity 400,000 t/pa of CO₂
- Key milestones achieved according to schedule
- Contract value at award of ~NOK 1.7 billion
- In operation from 2024 as part of the full CCS value chain Longship project in Norway

Market

- Cement industry represents 6-7% of global emissions

// It's about the legacy we give back to the community. Also, the lessons learned will be valuable for many coming projects. //

**Tor Gautestad, Senior Project Manager,
Norcem**



Brevik CCS live:
kunde.byggekamera.no



Bio/Waste-to-Energy

Twence:

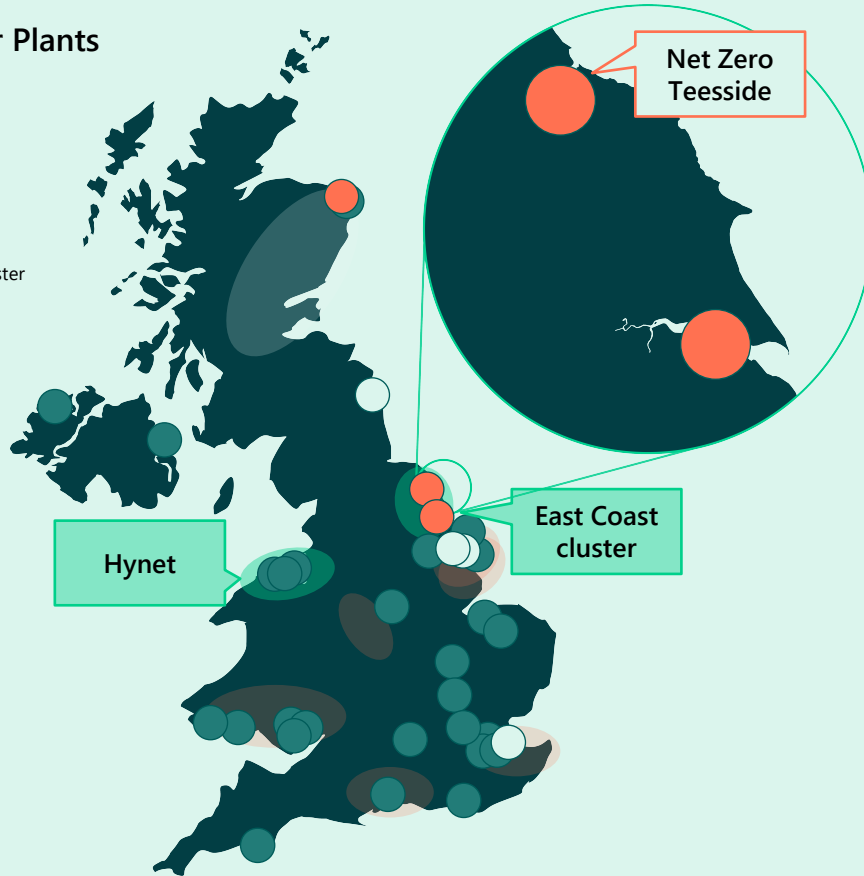
- EPC delivery of full scale modular Just Catch™
 - Waste to Energy plant in Hengelo, Netherlands
 - Capacity of 100,000 tonnes CO₂/yr
 - Twence will sell the CO₂ into commercial horticulture markets
 - Commenced work Q4 2021
-
- **BIR:** Exploring CCS on the largest CO₂ emitter in Bergen, near Northern Lights terminal
 - **Forus Energi/Lyse:** MoU to explore full-scale CCS in southwest Norway
 - **Ørsted and Microsoft:** MoU to explore development of carbon removals at biomass-fired heat and power plants
 - **Viridor:** MoU announced October 2021, focusing on delivery of five Just Catch™ plants by 2030
 - **Redcar:** Exploring implementation of a large-scale carbon capture plant in Teesside



Technology partner:
Hitachi Zosen Inova

Gas Fired Power Plants in the UK

- Industrial clusters, track 1
- Industrial clusters, track 1 reserved cluster
- Potential industrial clusters, Track 2
- Planned new build CCGT c/w CCS
- Existing CCGT retrofit CCS plans
- Gas fired power plant >300 MW



**Technology partner:
Siemens Energy**

Gas-to-Power

Secured FEED for Net Zero Teesside Power

- The world's first commercial scale gas-fired power station with carbon capture
- Technology partner to a consortium of Aker Solutions, Siemens Energy and Doosan Babcock
- Capacity of about 2 million tonnes CO₂ per year
- CO₂ transportation and storage infrastructure being developed by the Northern Endurance Partnership to serve the East Coast Cluster

UK industrial decarbonization strategy

- UK carbon capture aim of 20-30 Mt CO₂ per year by 2030
- Hynet and East Coast Clusters confirmed as Track 1
- SSE and Equinor have submitted proposals into the BEIS Cluster sequencing for CCUS deployment for its planned Keadby 3 and Peterhead facilities

Blue hydrogen

Market

- IEA estimates 33% and 38% of global hydrogen market to be "Blue" in 2030 and 2050 respectively

Aukra

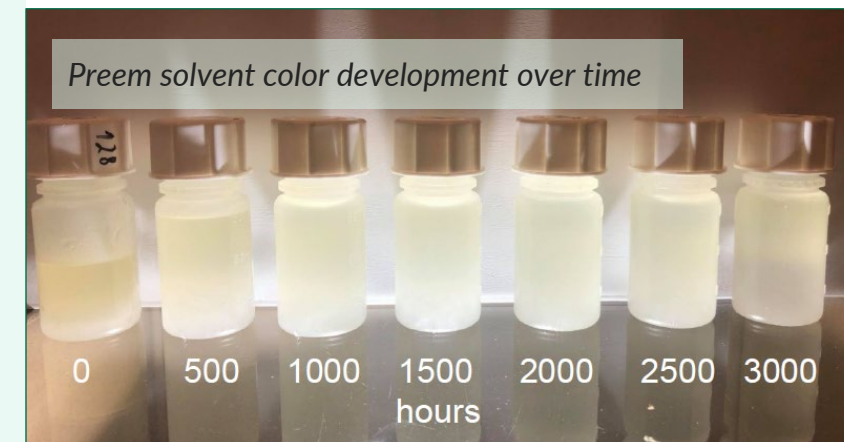
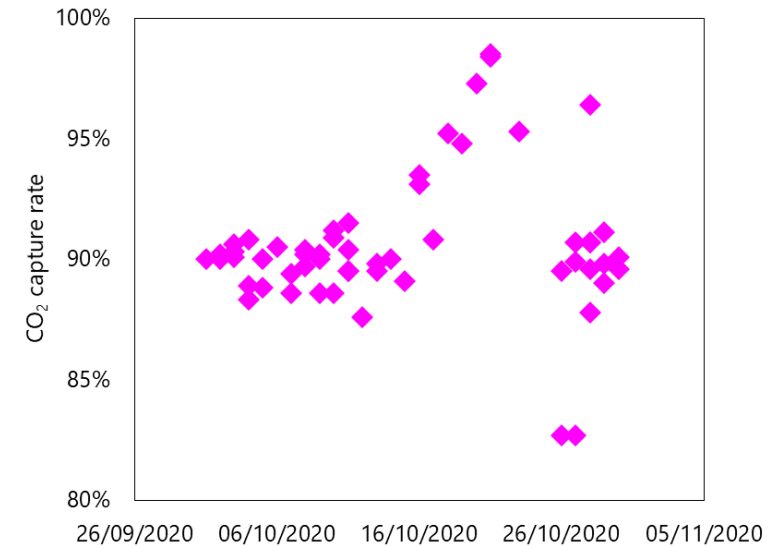
- Exploring opportunities to establish a regional blue hydrogen hub in Norway

Preem

- Our proprietary technology was validated through testing on a SMR hydrogen production unit for over 3,000 operating hours
- Some outcomes of the campaign:
 - Sustained capture rates around 90%
 - Superior solvent stability
 - Improved energy performance vs. MEA (close to 20% savings)
 - Up to 40% cost savings from residual heat use
- Complements our ongoing research with SINTEF on cryogenic pre-combustion carbon capture for ATR hydrogen plants

Sustained CO₂ capture rates

Source: Testing campaign at Preem



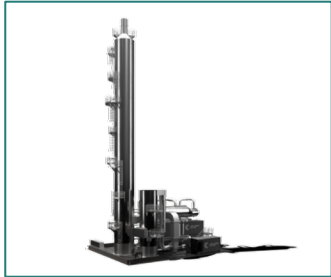


Business model development

Broad product offering with range of delivery models

Three principal carbon capture products offered by Aker Carbon Capture

Key offerings

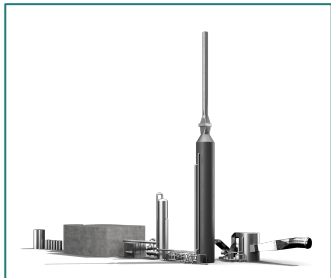


Just Catch™

Launched: 2018

Capacity: 40 and 100 ktpa

- Modularised and cost efficient
- 15 months delivery time¹
- Easy transport and installation
- Compact design – 25m x 18m
- 100% automated

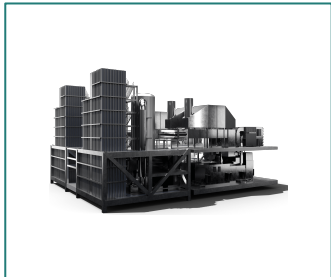


Big Catch

Launched: 1996

Capacity: > 400 ktpa

- Bespoke plant
- 30 – 36 months delivery time¹
- Larger footprint
- High potential for cost reduction through standardisation, modularisation and digitalisation



Just Catch Offshore™

Launched: 2019

Capacity: 120 – 360 ktpa

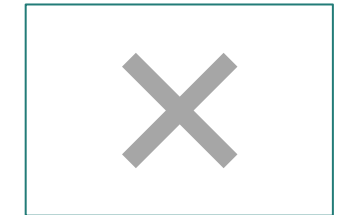
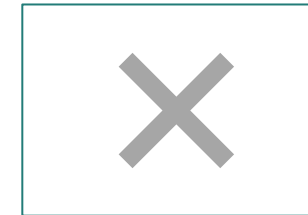
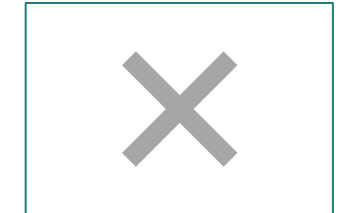
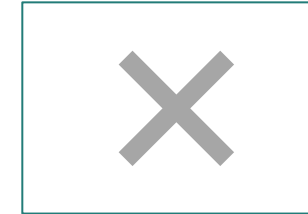
- Modularised and cost efficient
- 20 – 24 months delivery time¹
- Self-contained system
- Compact design
- Retrofit potential

Delivery models

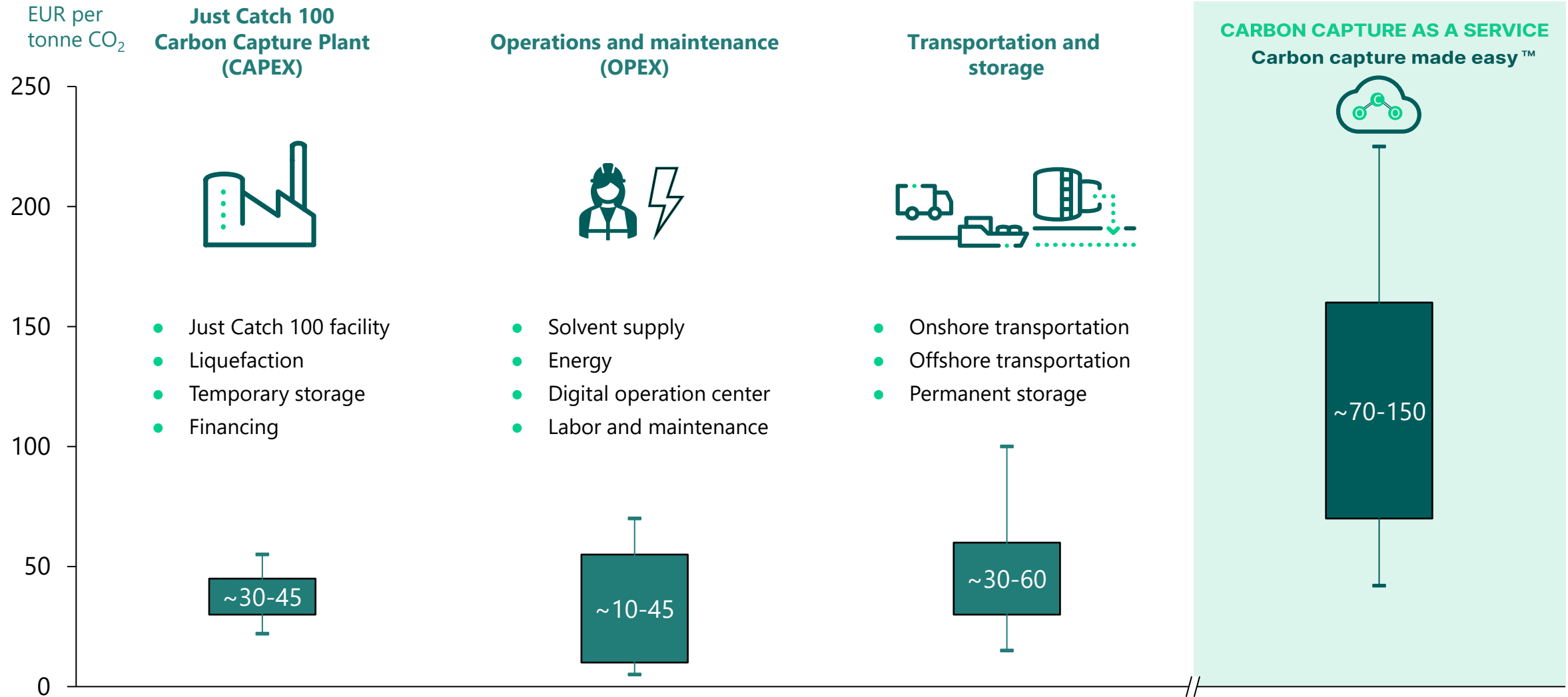
EPC

Licensing

CCaaS

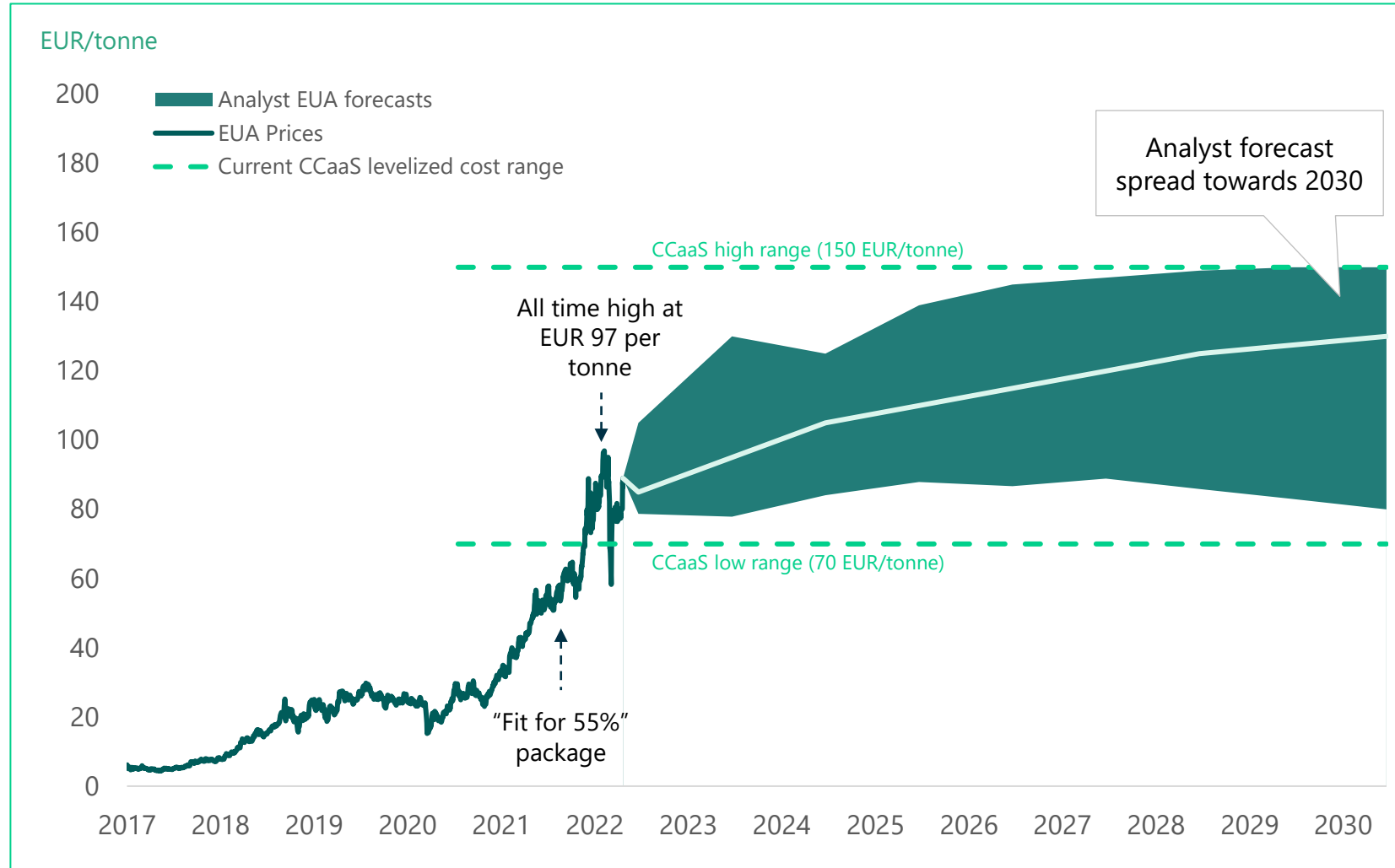


Indicative levelized cost of Carbon Capture as a Service¹



¹ Levelized Cost of Carbon Capture as a Service calculated as:
Cost discounted over 25 years divided by the amount of CO₂ captured discounted over 25 years;
Discount rate: 7.5%

Full CCS value chain economics turning positive



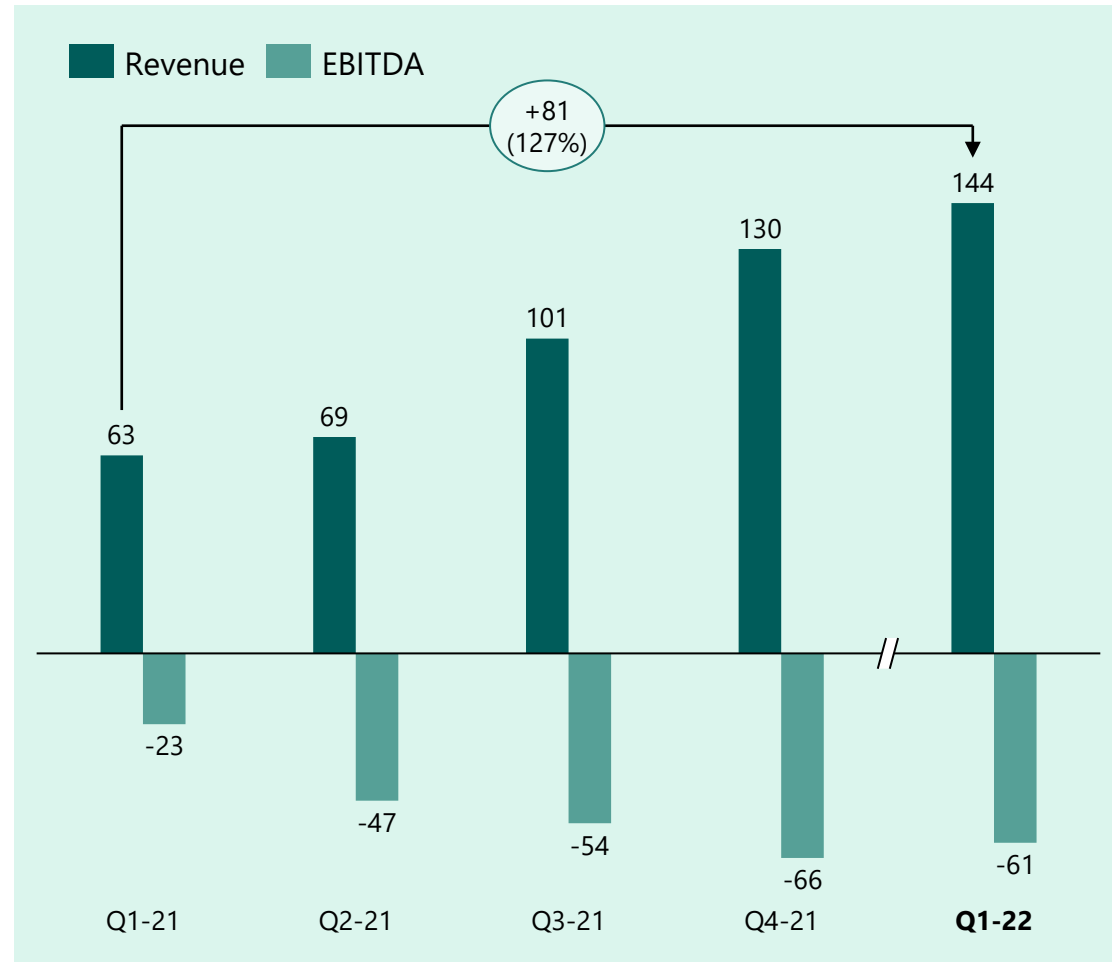
- EUA reached almost 100 EUR per tonne CO₂ earlier in 2022
- Recent high volatility in price amid geopolitical concerns
- EU sends strong signals it will proceed with reforms to further tighten the carbon allowance market¹
- IEA Sustainable Development Scenario requiring EUR ~120 per tonne² by 2030
- Some Carbon Capture as a Service projects are already economically viable above EUR 70 per tonne CO₂



Financials

Q1 2022 | Income Statement

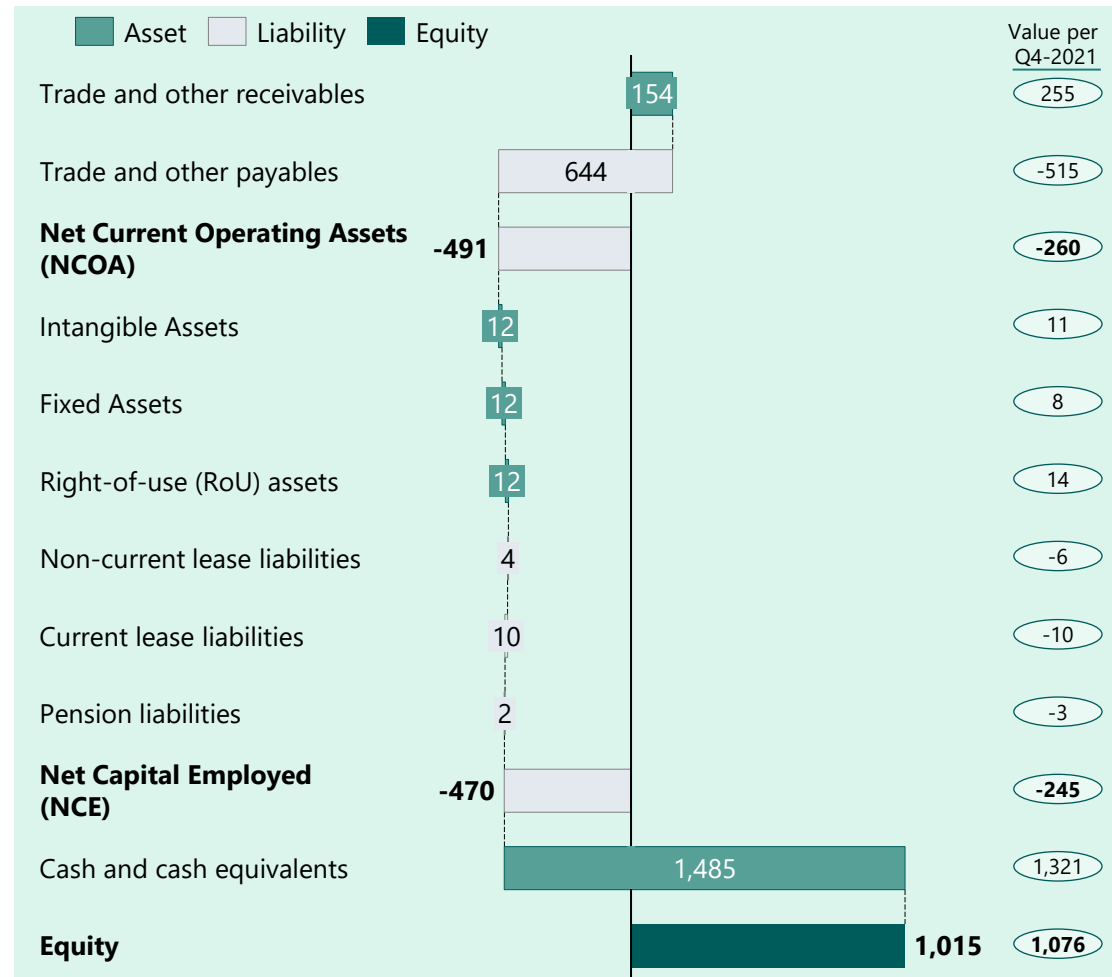
Revenue and EBITDA NOK million



- First quarter **Revenue** ended at NOK 144 million which was an increase of NOK 81 million compared to the same quarter last year.
 - Mainly driven by the Norcem Brevik CCS EPC, Twence Just Catch EPC projects and BP Net Zero Teesside FEED projects
 - Mobile test unit campaign ongoing in Poland
 - More than twelve pre-FEED and feasibility studies contributed in the period
- Fourth quarter **EBITDA** ended at negative NOK 61 million which was a decrease of NOK 38 million compared to the same quarter last year.
 - Profit has not yet been recognised on Brevik CCS EPC and Twence Just Catch EPC. Profit is normally recognized when a project reaches a high level of certainty in cost estimates.
 - Increased resource utilization contributed favourably in the period
 - The mobile test unit campaign in Poland, pre-FEED and feasibility studies contributed favourably in the period
 - Overall negative EBITDA continues to be driven by activity related to research and development projects, digitalization projects, tenders, business development, sales and international growth

Q1 2022 | Balance Sheet

Balance sheet NOK million

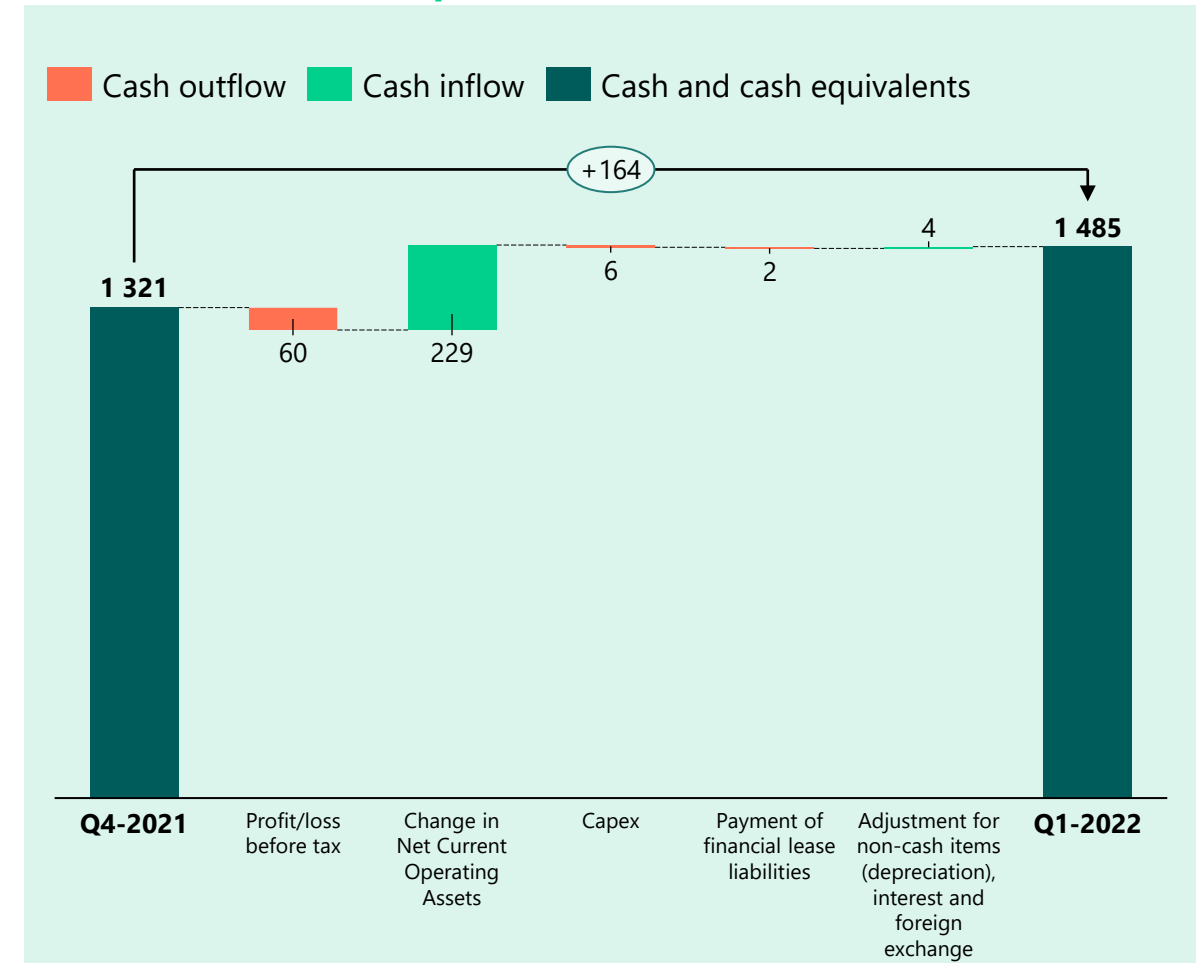


- Fourth quarter **Net Current Operating Assets** (net working capital) ended at negative NOK 491 million which represented a strong positive cash position on key projects
- NOK 470 million negative **Net Capital Employed** signalling that the business' operating capital is currently funded by project working capital
- Healthy **Cash and cash equivalents** balance at NOK 1.5 billion which could cover all liabilities 2.5 times
- Strong **Equity** position at NOK 1.0 billion

Q1 2022 | Cash flow

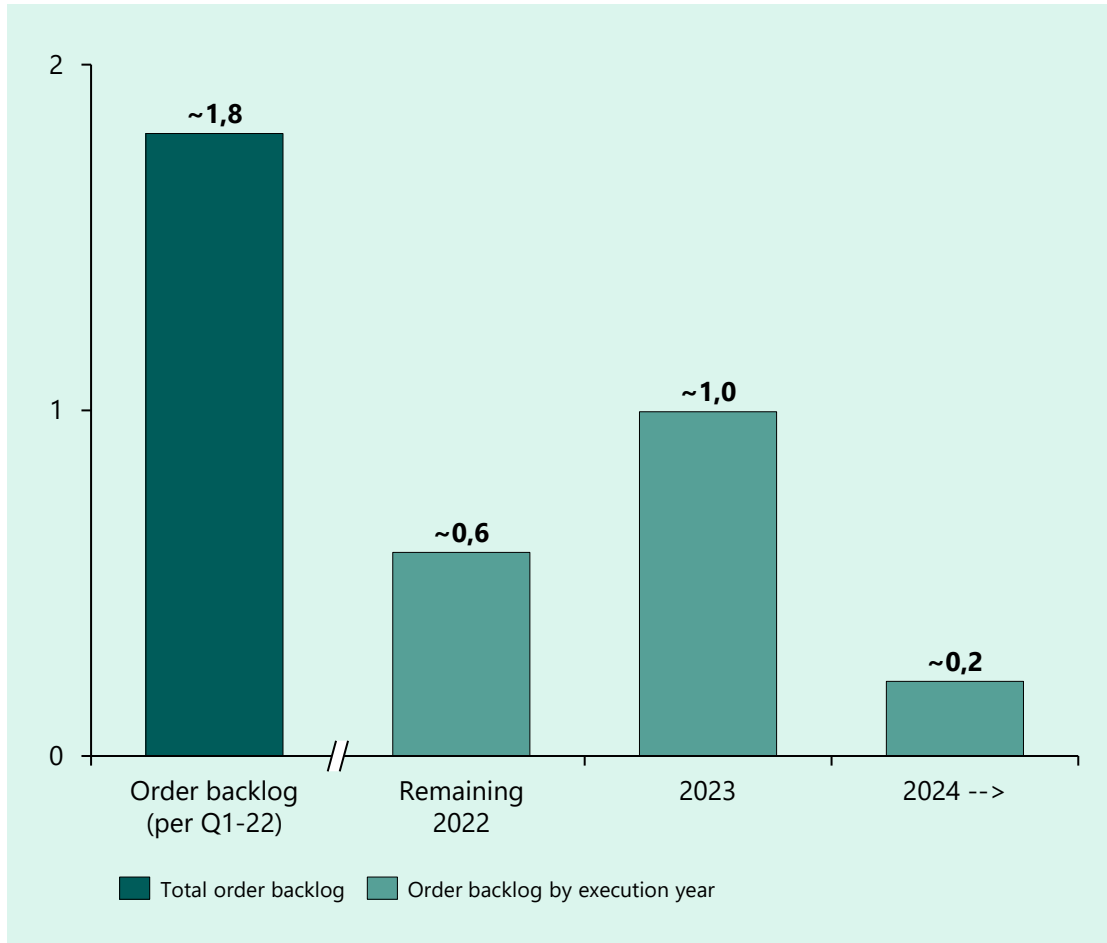
- The first quarter ended with an overall cash inflow of NOK 164 million
 - Loss before tax in the fourth quarter of negative NOK 60 million represented a cash outflow
 - Net Current Operating Assets ended the first quarter at negative NOK 491 million which represented a cash inflow of NOK 229 million in the period
 - CAPEX of NOK 6 million was mainly related to the building of a new mobile test unit, product development and Just Catch standardization
 - Payment of financial lease liabilities and adjustment for other non-cash items represented a net inflow of NOK 2 million in the quarter
- Cash and cash equivalents ended the first quarter at NOK 1,485 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 Q1 2022
- Excluding costs associated with projects, we expect to see operating expenses through 2022 around similar levels, with significant flexibility

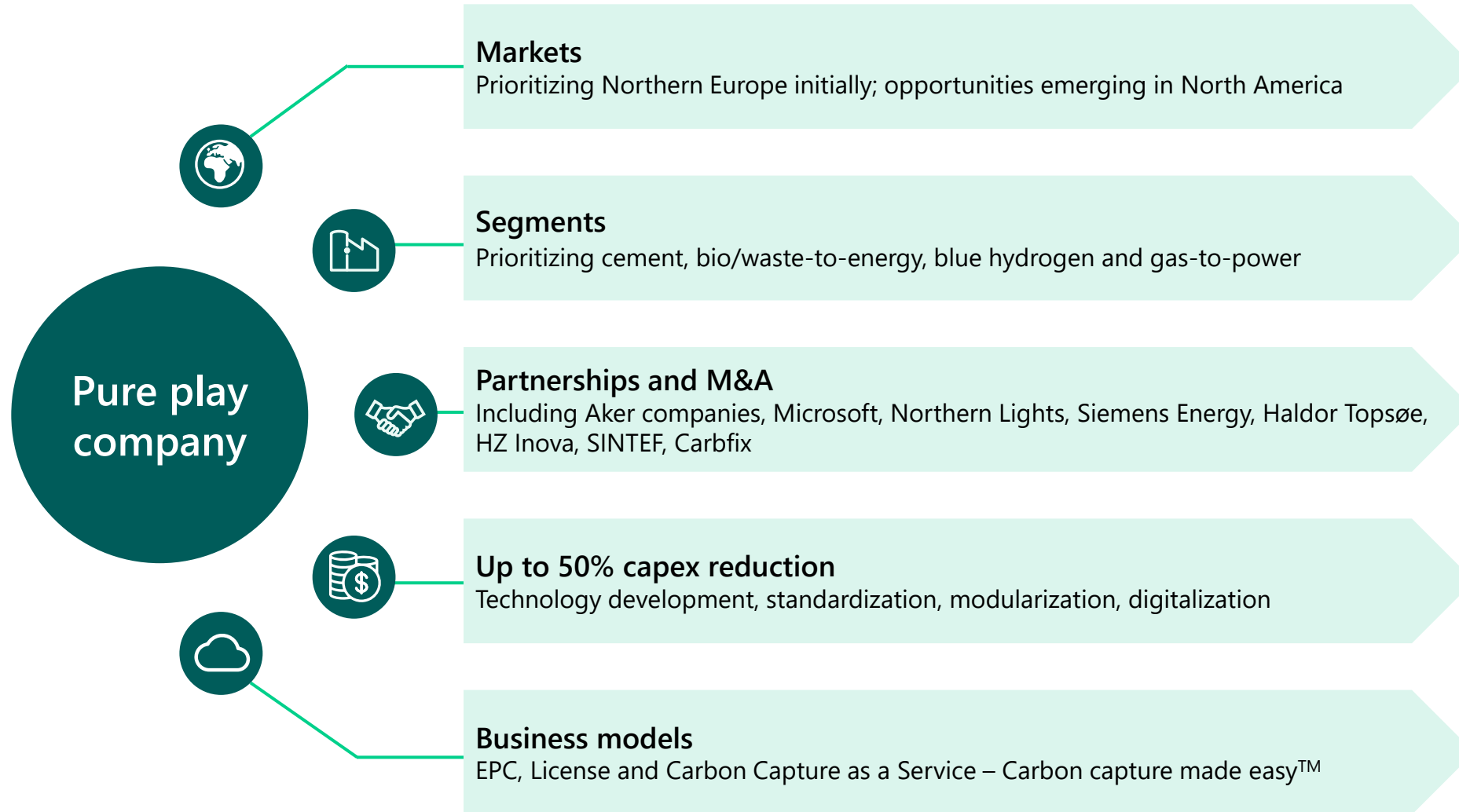
Cash balance

- Q1-22 net cash of NOK 1.5 billion, helped by positive project-related cashflows
- Expect progress on projects to use cash in 2022, with net cash below NOK 1 billion by year end, but see positive project-related flows in 2023



Way forward

Way forward



10 in 25

Secure contracts to capture **10** million tonnes CO₂ per annum by **2025**



Q&A



Appendices

P&L



Balance sheet



Cash flow

Condensed consolidated income statement

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full year 2021	Q1 2022
Revenues	63,452	69,318	100,848	129,560	363,177	144,319
Materials, goods and services	(62,811)	(67,978)	(83,508)	(118,517)	(332,814)	(129,170)
Salary and other personnel costs	(8,007)	(14,446)	(35,313)	(34,336)	(92,102)	(34,135)
Other operating expenses	(15,298)	(34,085)	(36,454)	(42,267)	(128,104)	(41,689)
EBITDA	(22,664)	(47,192)	(54,427)	(65,561)	(189,843)	(60,675)
				-		
Depreciation	(1,334)	(1,334)	(1,334)	(1,343)	(5,346)	(2,597)
Operating profit (loss)	(23,998)	(48,526)	(55,761)	(66,904)	(195,189)	(63,272)
Financial income	327	234	633	1,954	3,148	2,445
Financial expenses	(174)	(163)	(168)	(154)	(659)	(186)
Foreign exchange gain (loss)	19	(102)	49	433	399	998
Net financial items	172	(32)	514	2,234	2,889	3,257
Profit (loss) before tax	(23,826)	(48,558)	(55,247)	(64,670)	(192,301)	(60,015)
Income tax benefit (expense)	-	-	-	-	-	-
Net profit (loss)	(23,826)	(48,558)	(55,247)	(64,670)	(192,301)	(60,015)

Condensed consolidated balance sheet

Assets

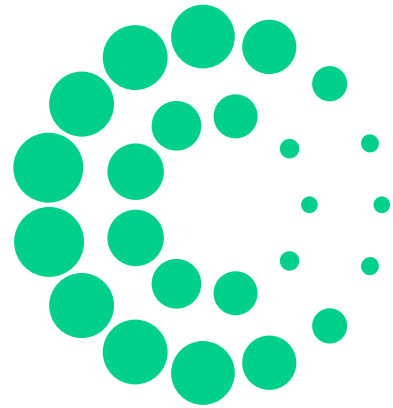
<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Non-current assets					
Intangible assets	3,884	3,884	4,210	11,292	12,256
Right-of-use assets	11,928	10,673	9,417	14,242	11,751
Fixed assets	3,597	3,606	5,345	7,732	12,382
Total non-current assets	19,410	18,162	18,973	33,266	36,389
Current assets					
Trade and other receivables	202,643	239,468	146,072	255,306	153,686
Cash and cash equivalents	483,666	552,452	1,398,182	1,321,270	1,485,257
Total current assets	686,309	791,920	1,544,255	1,576,576	1,638,944
Total assets	705,719	810,082	1,563,227	1,609,841	1,675,333

Equity and Liabilities

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Equity					
Share capital	566,060	566,060	604,242	604,242	604,242
Other equity and reserves	(138,026)	(186,584)	537,493	472,034	411,064
Total equity	428,034	379,476	1,141,736	1,076,276	1,015,307
Non-current liabilities					
Pension liabilities	2,849	2,981	2,981	2,843	2,475
Non-current lease liabilities	7,896	6,508	5,109	6,091	3,545
Total non-current liabilities	10,745	9,489	8,090	8,934	6,020
Current liabilities					
Trade and other payables	261,547	415,239	407,202	514,917	644,292
Current lease liabilities	5,393	5,877	6,200	9,714	9,714
Total current liabilities	266,940	421,116	413,402	524,631	654,006
Total equity and liabilities	705,719	810,082	1,563,227	1,609,841	1,675,333

Condensed consolidated statement of cash flow

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Full year 2021	Q1 2022
Profit before tax	(23,826)	(48,558)	(55,247)	(64,670)	(192,301)	(60,015)
<i>Adjustment for:</i>						
Amortisation and depreciation	1,334	1,334	1,334	1,343	5,346	2,597
Changes in net current operating assets	50,508	117,000	77,264	(1,733)	243,039	229,186
Accrued interest and foreign exchange	174	162	151	109	596	1,284
Cash flow from operating activities	28,190	69,939	23,502	(64,951)	56,680	173,053
Acquisition of property, plant and equipment	(1,066)	(87)	(1,819)	(2,369)	(5,341)	(4,953)
Payments for capitalized development	(92)	-	(326)	(7,351)	(7,769)	(1,184)
Cash flow from investing activities	(1,158)	(87)	(2,145)	(9,720)	(13,110)	(6,137)
Payment of finance lease liabilities	(1,066)	(1,066)	(1,227)	(1,530)	(4,888)	(2,429)
Share issue, net of transaction costs	-	-	825,600	(712)	824,888	-
Cash flow from financing activities	(1,066)	(1,066)	824,373	(2,242)	820,000	(2,429)
Net cash flow	25,966	68,787	845,730	(76,913)	863,571	164,487
FX revaluation of cash	-	-	-	-	-	(499)
Cash and cash equivalent at the beginning of the period	457,699	483,665	552,452	1,398,182	457,699	1,321,270
Cash and cash equivalent at the end of the period	483,665	552,452	1,398,182	1,321,270	1,321,270	1,485,257



**AKER CARBON
CAPTURE**

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