



AKER CARBON
CAPTURE

Q2 2022

Oslo, 11 July 2022

Valborg Lundegaard, CEO

Egil Fagerland, CFO



Agenda

Introduction and second 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

Brevik CCS meeting key milestone; installation of first major equipment onsite

First of a kind modular carbon capture project on track with Twence, ground-breaking event in May

New flagship project in the UK; carbon capture provider for the FEED for SSE Keadby 3 Carbon Capture Power Station

Growth story in the UK confirmed, establishing office in Central London, MoU with Storegga announced

Successful verification of our carbon capture technology for char through Mobile Test Unit campaign in Poland

Continued strong revenue growth and solid cash position



Operations and business development

NORCEM HEIDELBERG CEMENT BREVIK CCS

Norway

- 400,000 TPA CO₂ capture and liquefaction plant
- Meeting key milestone, installation of first major equipment onsite
- Creating local employment and strong partnerships
- CO₂ transport by ship to permanent storage as part of Northern Lights



2020

PROJECT START

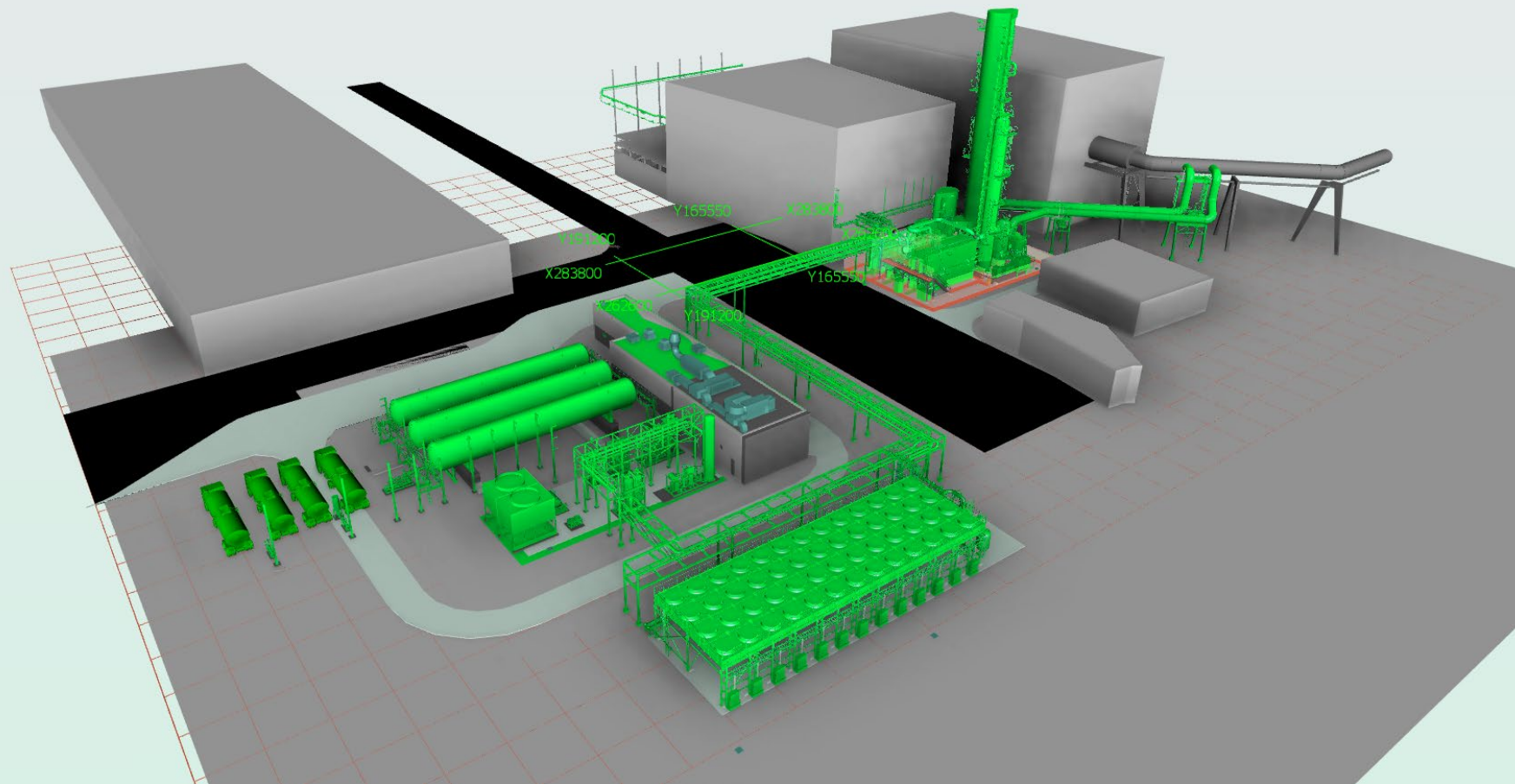
25.05.2022

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

2024

PLANNED OPERATION





WASTE TO ENERGY TWENCE CCU

Hengelo,
Netherlands

- Capturing 100,000 TPA
- First of a kind modular carbon capture project on track
- Construction work started
- CO₂ will boost local greenhouse production

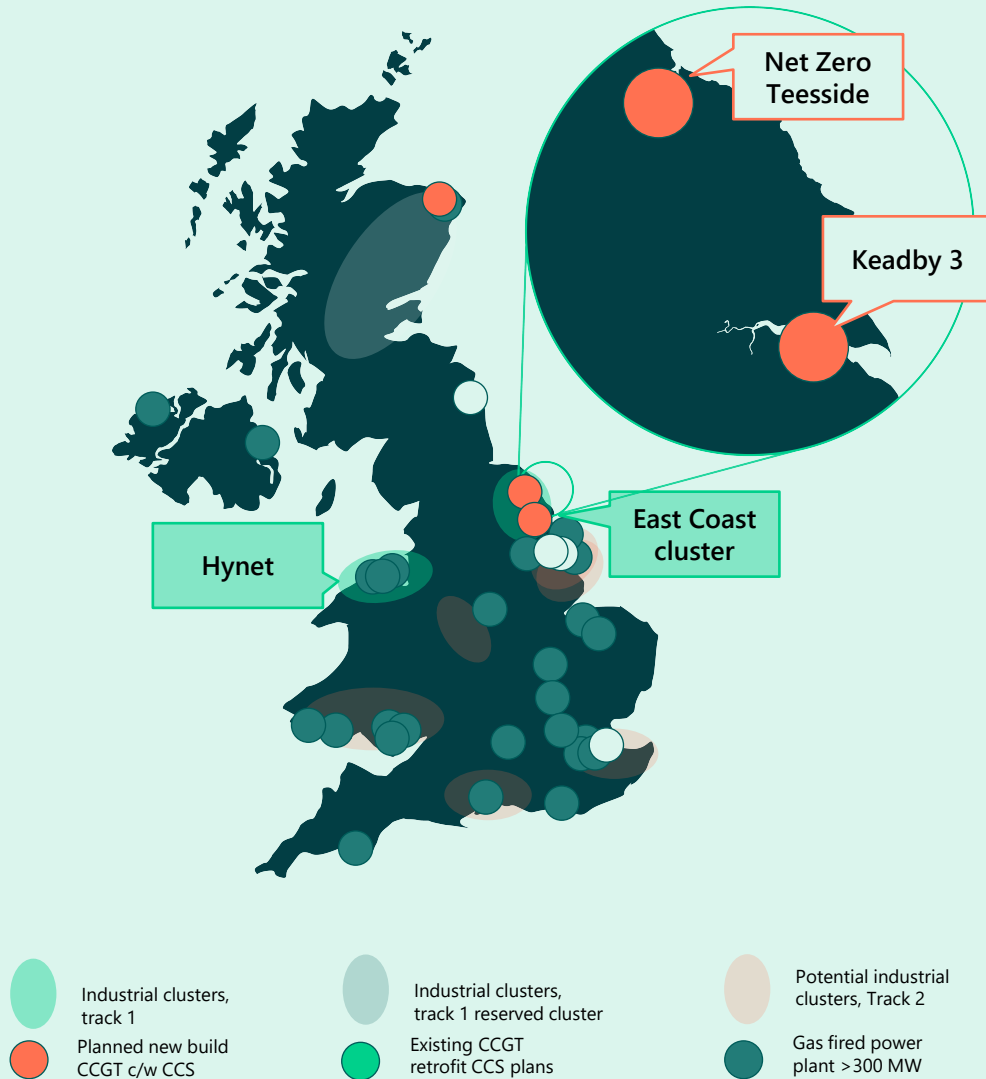
Nov 2021
SIGNED CONTRACT

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

- Ability to capture up to 2 million tonnes of CO₂ annually
- Carbon capture partner to a consortium of Aker Solutions, Siemens Energy and Doosan Babcock
- Set to utilize cutting-edge gas turbine technology from Siemens Energy
- Part of Humber hub

FEED for bp Net Zero Teesside Power

- Commenced work in December 2021
- Capacity of about 2 million tonnes CO₂ per year
- Carbon capture partner to the same consortium

UK

Industrial decarbonization strategy

- UK carbon capture aim of 20-30 Mt CO₂ per year by 2030
- Hynet and East Coast Clusters already confirmed as Track 1
- Phase 2 sequencing likely declared in Q3
- Carbon Capture and Storage Infrastructure Fund (CIF) of £1bn



Oct. 2021

PARTNER WITH VIRIDOR FOR DELIVERY OF FIVE MODULAR PLANTS

Dec. 2021

BP NET ZERO TEESSIDE POWER FEED

Dec. 2021

COLLABORATION WITH REDCAR ENERGY CENTRE

June 2022

SSE KEADBY 3 FEED

June 2022

MOU WITH STOREGGA

Q4 2022

OPENING OF NEW LONDON OFFICE



Unique track record from Mobile Test Unit (MTU)

- Advanced CO₂ capture pilot

Continuously upgraded and developed since 2008



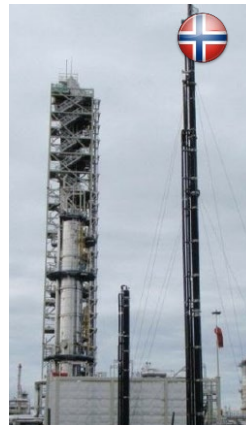
Natural gas
Risavika Gas Center



Coal
Longannet Power



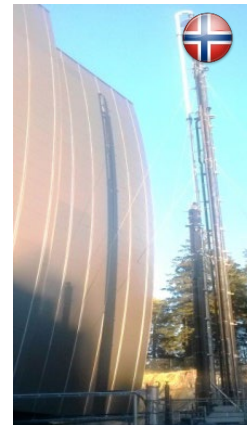
Coal
National CCC



Natural gas & heavy oil cracker
Dong CHP
Equinor oil refinery



Cement
Heidelberg/
Norcem



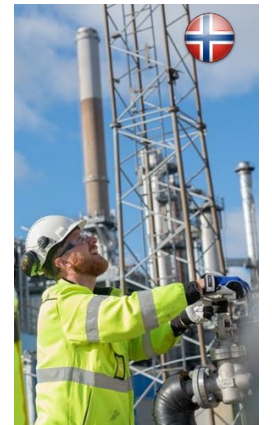
Waste-to-Energy
Klemetsrud WtE



Hydrogen
Preem refinery



Char
Polchar (2021)



Smelting
Elkem Rana, SMA
Mineral, Mo
Industrial Park (2022)

Second MTU under construction

Growing our organization, reaching 200+ employees and hired-ins in Q2



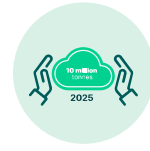
PLANET



PEOPLE



PROSPERITY

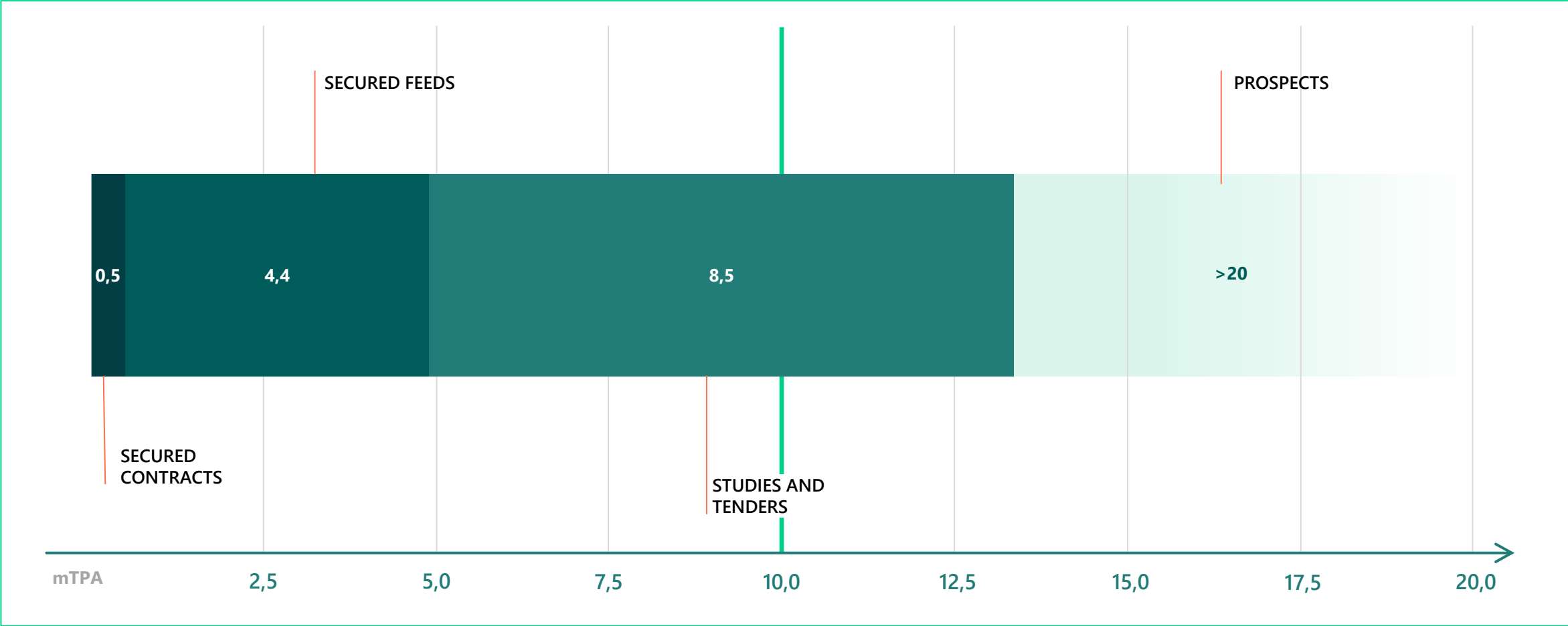


GOVERNANCE

Building a diverse and purpose driven work force: e.g. 16 nationalities (Q4)



Continued progress toward 10 in 25



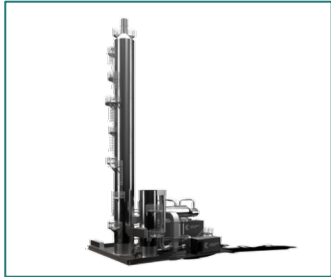


Delivery models

Broad product offering with range of delivery models

Three core carbon capture products offered by Aker Carbon Capture

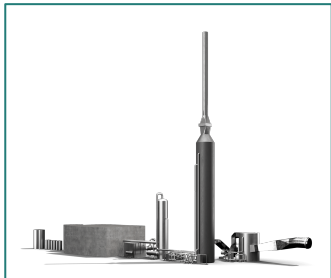
Key offerings



Just Catch™

Capacity: 40 and 100 ktpa

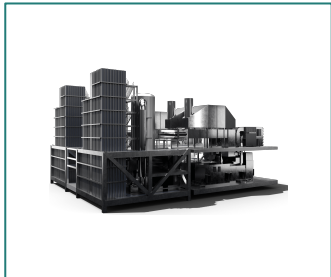
- Modularised and cost efficient
- 15-24 months delivery time
- Easy transport and installation
- Compact design – 25m x 18m
- 100% automated



Big Catch

Capacity: > 400 ktpa

- Bespoke plant
- 30 – 36 months delivery time¹
- Larger footprint
- High potential for cost reduction through standardization, modularization and digitalization.



Just Catch Offshore™

Capacity: 120 – 360 ktpa

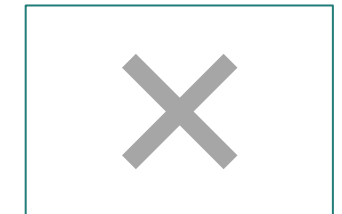
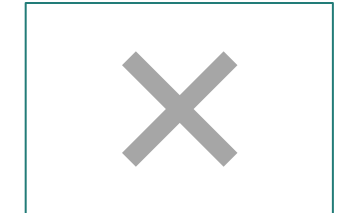
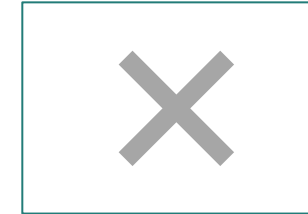
- Modularised and cost efficient
- 20 – 24 months delivery time
- Self-contained system
- Compact design
- Retrofit potential

Delivery models

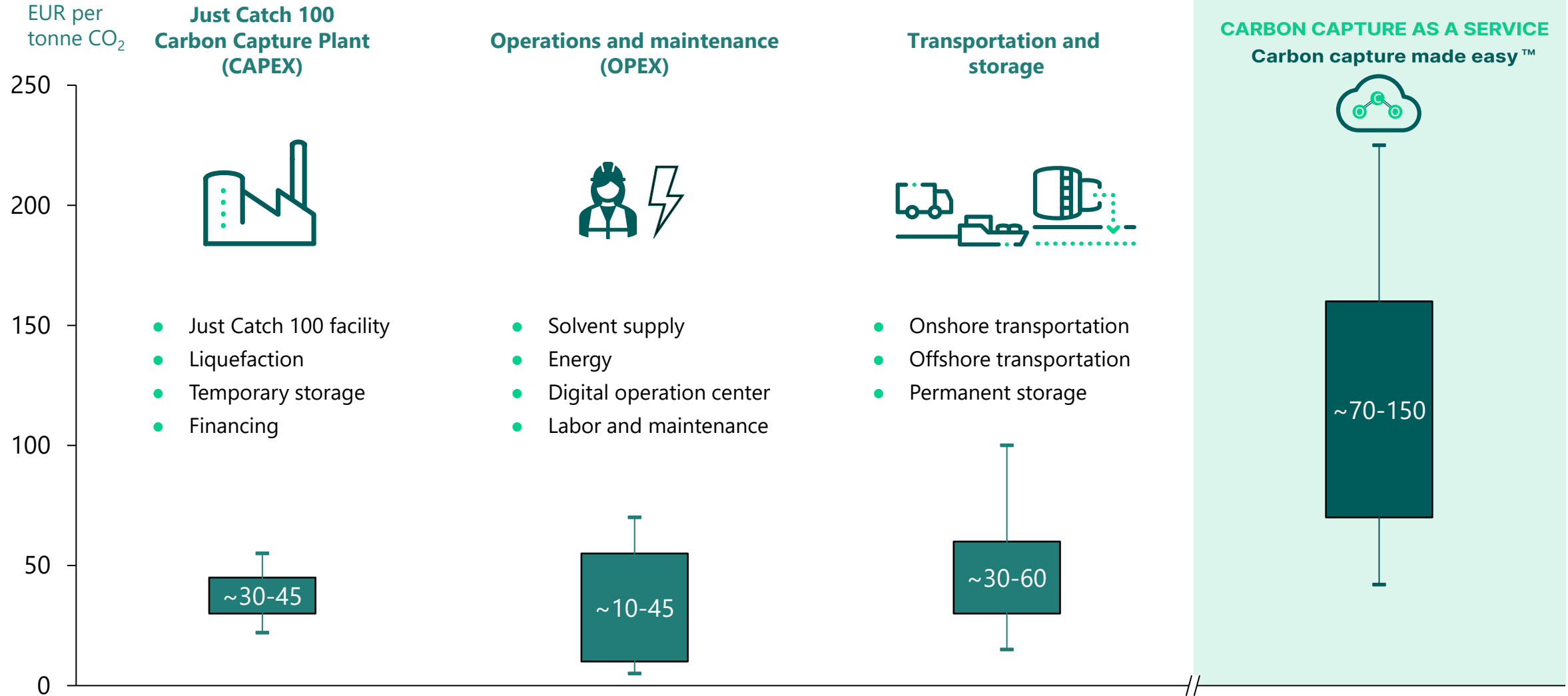
EPC

Licensing

CCaaS

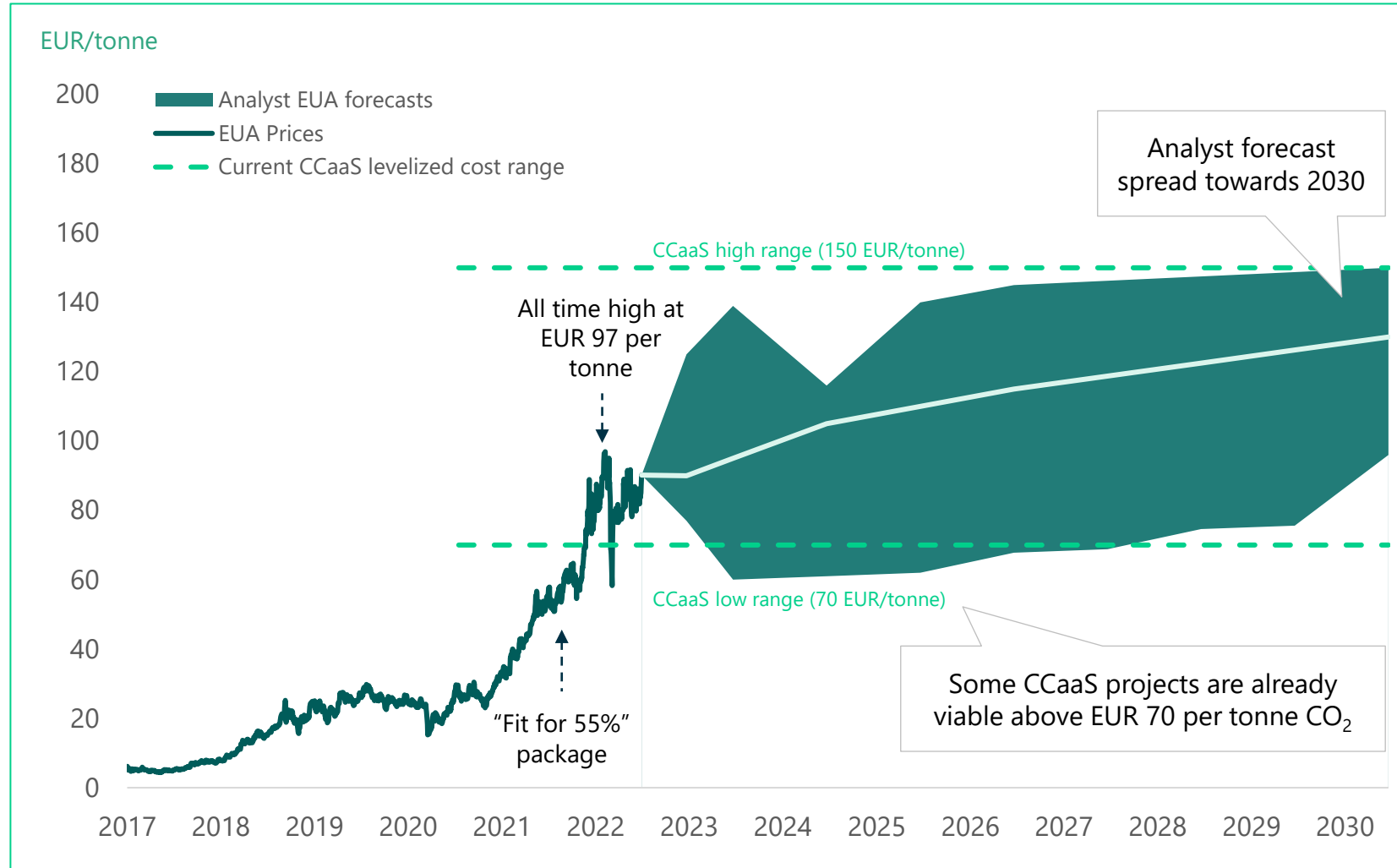


Indicative levelized cost of Carbon Capture as a Service¹



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 prices ending Q2 at 90 EUR/tonne, stabilizing after a volatile Q1
- Underlying carbon market fundamentals, continue to support increasing EUA prices
- Strong signals that EU will proceed with reforms¹ to tighten the carbon allowance market, driving up EUA prices.
- General market uncertainty and proposed policies, such as RePower EU², may lead to lower EUA prices near term.

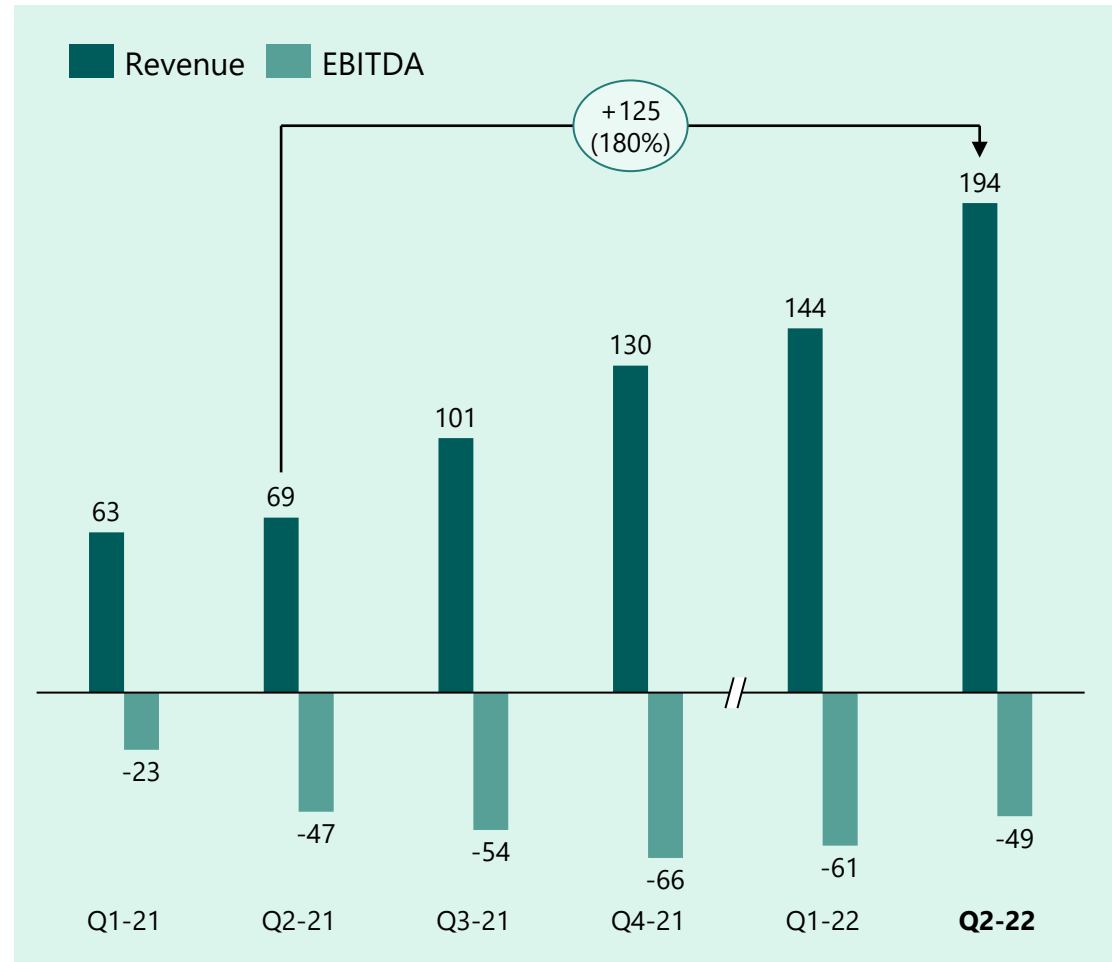
1) ENVI committee proposed on the 17th of May 2022, to increase the linear reduction factor, with 0.1% annually, indicating a higher decrease in number of allowances annually.
 2) The European Commission announced that it wants to raise EUR20bn to fund EU's exit from Russian energy, by selling surplus carbon permits.



Financials

Q2 2022 | Income Statement

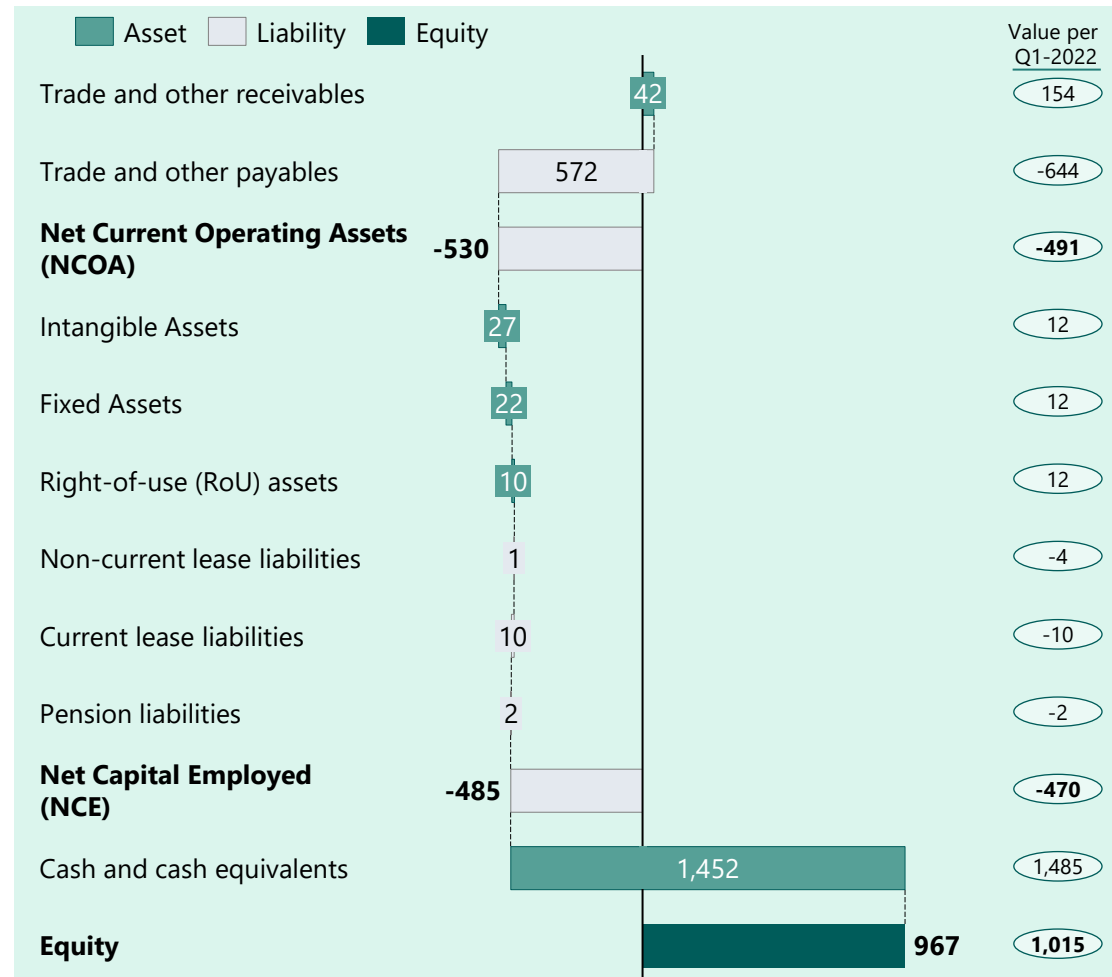
Revenue and EBITDA NOK million



- **Revenue** ended at NOK 194 million which was more than a 180% increase compared to Q2-2021
 - Mainly driven by Brevik CCS, Twence Just Catch CCU, and bp Net Zero Teesside Power FEED
 - Other FEEDs, pre-FEEDs and studies also contributed
- **EBITDA** ended at negative NOK 49 million which was in line with the same quarter last year
 - Started profit recognition on Brevik CCS on the back of successful on-site installation of first key equipment
 - Profit has not yet been recognised on Twence Just Catch CCU. Profit is normally recognized when reaching a high level of certainty in cost estimates.
 - Contribution from ongoing FEED projects and feasibility studies contributed favourably in the quarter
 - The negative EBITDA was driven by expenses related to R&D projects, digitalization projects, tenders, business development, sales and international growth

Q2 2022 | Balance Sheet

Balance sheet NOK million

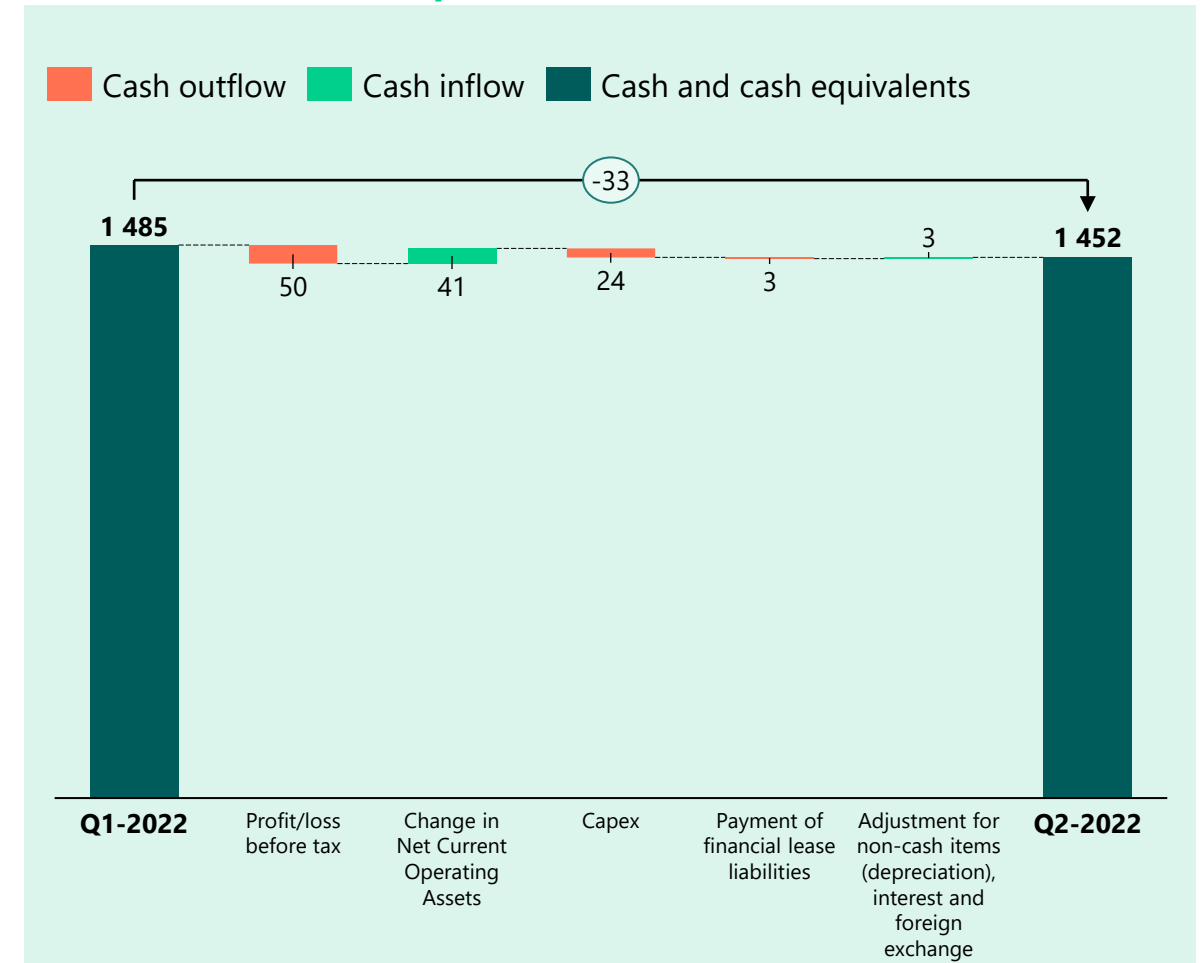


- **Net Current Operating Assets** (net working capital) ended at negative NOK 530 million which represented a strong positive cash position on key projects
- NOK 485 million negative **Net Capital Employed** signalling that the business' operating capital is currently funded by project working capital
- 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

Q2 2022 | Cash flow

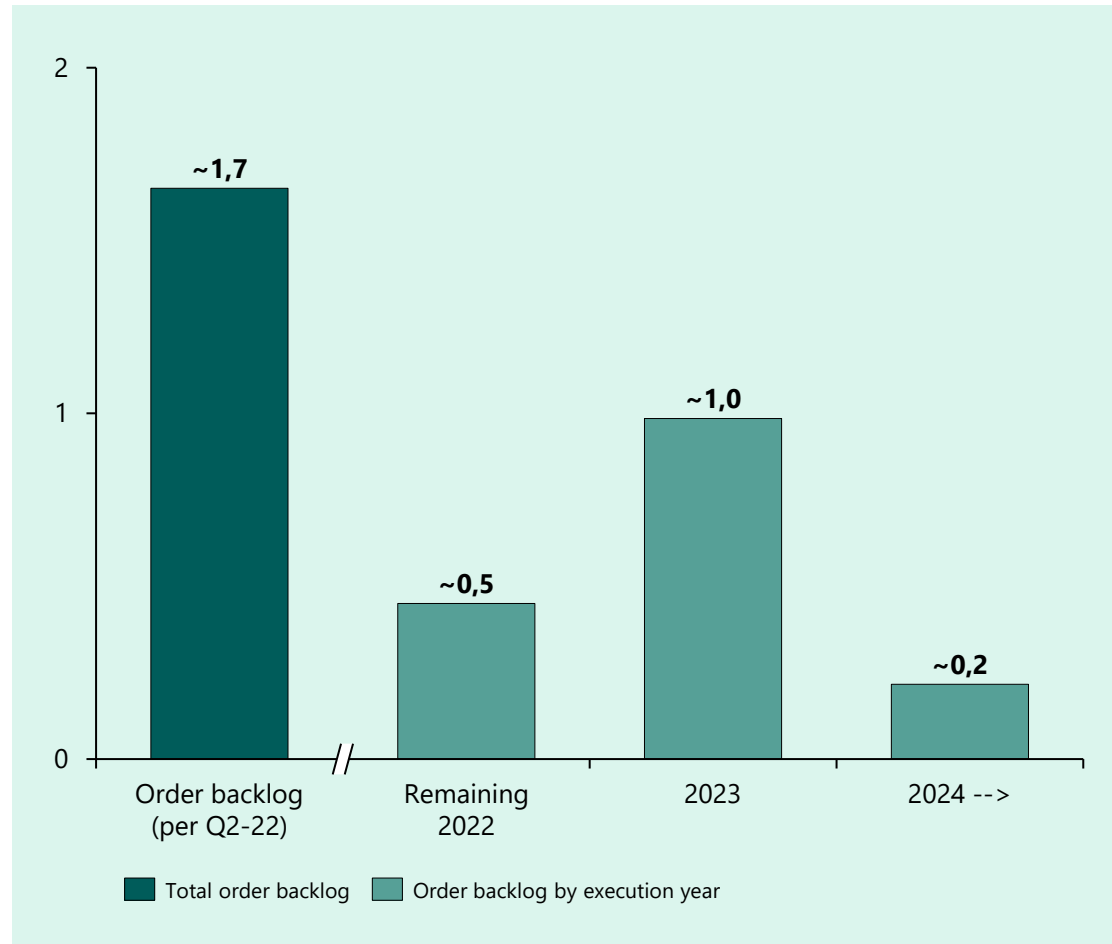
- The quarter ended with an overall cash outflow of NOK 33 million
 - Loss before tax of negative NOK 50 million represented a cash outflow
 - Inflow of NOK 41 million related to change in Net Current Operating Assets in the period
 - CAPEX of NOK 24 million was mainly related to the building of a new mobile test unit, product development and standardization
 - 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 1,452 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 71 million in Q2 2022
- Excluding costs associated with projects, we expect to see operating expenses through 2022 around similar levels, with significant flexibility

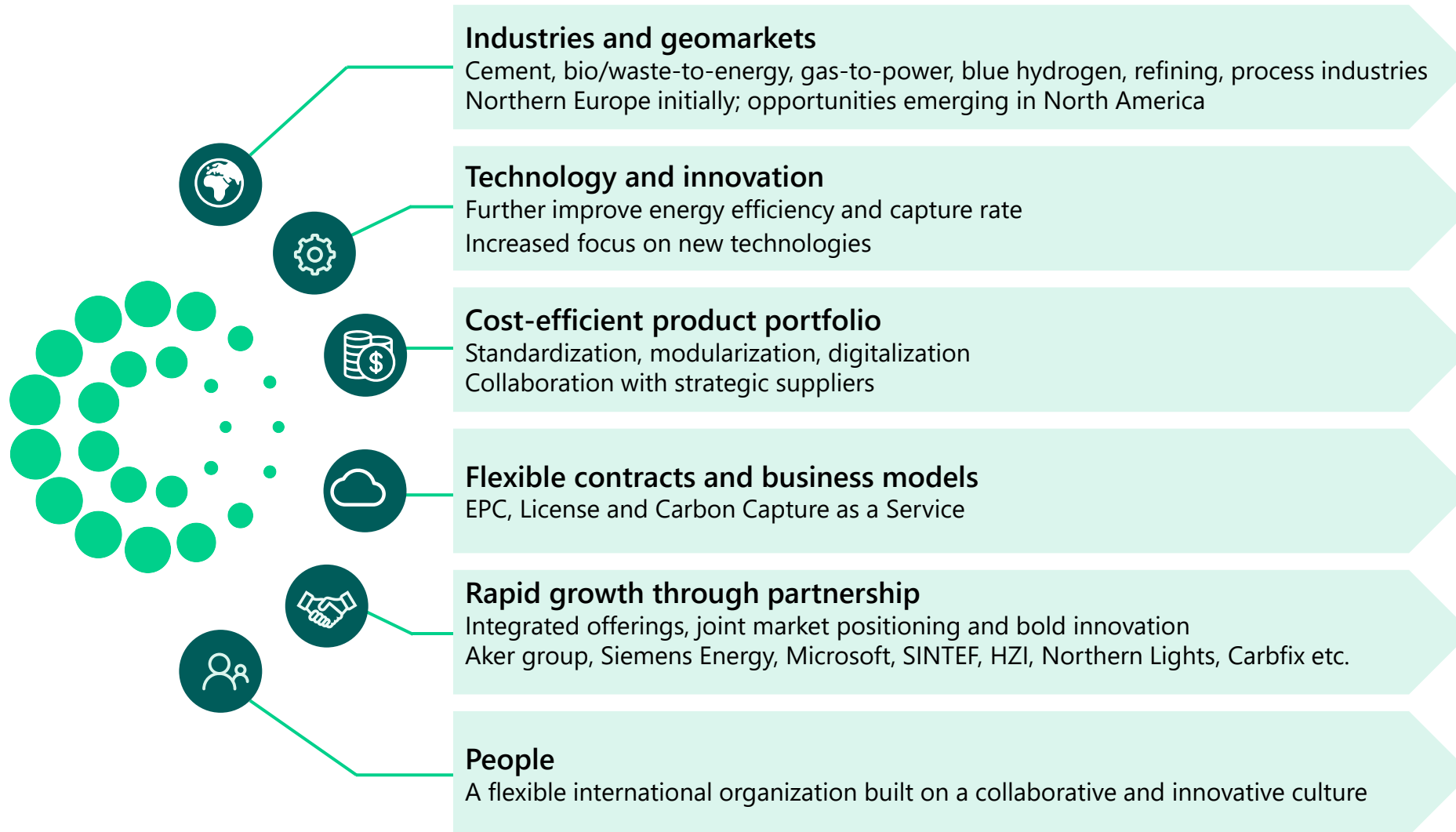
Cash balance

- Q2-22 net cash of NOK 1.5 billion, driven by expected project-related cash outflows
- Expect further project progress to use cash this year, with net cash around NOK 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
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	Q2 2022	Half year 2022
Revenues	63,452	69,318	100,848	129,560	363,177	144,319	193,640	337,960
Materials, goods and services	(62,811)	(67,978)	(83,508)	(118,517)	(332,814)	(129,170)	(170,953)	(300,123)
Salary and other personnel costs	(8,007)	(14,446)	(35,313)	(34,336)	(92,102)	(34,135)	(39,113)	(73,248)
Other operating expenses	(15,298)	(34,085)	(36,454)	(42,267)	(128,104)	(41,689)	(32,159)	(73,848)
EBITDA	(22,664)	(47,192)	(54,427)	(65,561)	(189,843)	(60,675)	(48,584)	(109,259)
				-				
Depreciation	(1,334)	(1,334)	(1,334)	(1,343)	(5,346)	(2,597)	(3,014)	(5,611)
Operating profit (loss)	(23,998)	(48,526)	(55,761)	(66,904)	(195,189)	(63,272)	(51,598)	(114,870)
Financial income	327	234	633	1,954	3,148	2,445	3,078	5,523
Financial expenses	(174)	(163)	(168)	(154)	(659)	(186)	(273)	(459)
Foreign exchange gain (loss)	19	(102)	49	433	399	998	(997)	1
Net financial items	172	(32)	514	2,234	2,889	3,257	1,807	5,064
Profit (loss) before tax	(23,826)	(48,558)	(55,247)	(64,670)	(192,301)	(60,015)	(49,790)	(109,805)
Income tax benefit (expense)	-	-	-	-	-	-	-	-
Net profit (loss)	(23,826)	(48,558)	(55,247)	(64,670)	(192,301)	(60,015)	(49,790)	(109,805)

Condensed consolidated balance sheet - Assets

Amounts in NOK thousand

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Non-current assets						
Intangible assets	3,884	3,884	4,210	11,292	12,256	26,722
Right-of-use assets	11,928	10,673	9,417	14,242	11,751	9,677
Fixed assets	3,597	3,606	5,345	7,732	12,382	21,812
Total non-current assets	19,410	18,162	18,973	33,266	36,389	58,211
Current assets						
Trade and other receivables	202,643	239,468	146,072	255,306	153,686	41,822
Cash and cash equivalents	483,666	552,452	1,398,182	1,321,270	1,485,257	1,451,912
Total current assets	686,309	791,920	1,544,255	1,576,576	1,638,944	1,493,735
Total assets	705,719	810,082	1,563,227	1,609,841	1,675,333	1,551,946

Condensed consolidated balance sheet – Equity and liabilities

Amounts in NOK thousand

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Equity						
Share capital	566,060	566,060	604,242	604,242	604,242	604,242
Other equity and reserves	(138,026)	(186,584)	537,493	472,034	411,064	362,581
Total equity	428,034	379,476	1,141,736	1,076,276	1,015,307	966,823
Non-current liabilities						
Pension liabilities	2,849	2,981	2,981	2,843	2,475	2,487
Non-current lease liabilities	7,896	6,508	5,109	6,091	3,545	1,273
Total non-current liabilities	10,745	9,489	8,090	8,934	6,020	3,760
Current liabilities						
Trade and other payables	261,547	415,239	407,202	514,917	644,292	571,649
Current lease liabilities	5,393	5,877	6,200	9,714	9,714	9,714
Total current liabilities	266,940	421,116	413,402	524,631	654,006	581,363
Total equity and liabilities	705,719	810,082	1,563,227	1,609,841	1,675,333	1,551,946

Condensed consolidated statement of cash flow

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Half year 2022
Profit before tax	(23,826)	(48,558)	(55,247)	(64,670)	(60,015)	(49,790)	(109,805)
<i>Adjustment for:</i>							
Amortisation and depreciation	1,334	1,334	1,334	1,343	2,597	3,014	5,611
Changes in net current operating assets	50,508	117,000	77,264	(1,733)	229,186	40,663	269,849
Accrued interest and foreign exchange	174	162	151	109	1,284	(887)	398
Cash flow from operating activities	28,190	69,939	23,502	(64,951)	173,053	(7,000)	166,053
Acquisition of property, plant and equipment	(1,066)	(87)	(1,819)	(2,369)	(4,953)	(9,733)	(14,686)
Payments for capitalized development	(92)	-	(326)	(7,351)	(1,184)	(14,686)	(15,871)
Cash flow from investing activities	(1,158)	(87)	(2,145)	(9,720)	(6,137)	(24,419)	(30,557)
Payment of finance lease liabilities	(1,066)	(1,066)	(1,227)	(1,530)	(2,429)	(2,787)	(5,216)
Share issue, net of transaction costs	-	-	825,600	(712)	-	-	-
Cash flow from financing activities	(1,066)	(1,066)	824,373	(2,242)	(2,429)	(2,787)	(5,216)
Net cash flow	25,966	68,787	845,730	(76,913)	164,487	(34,207)	130,280
FX revaluation of cash	-	-	-	-	(499)	862	363
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	1,398,182
Cash and cash equivalent at the end of the period	483,665	552,452	1,398,182	1,321,270	1,485,257	1,451,913	1,451,913

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

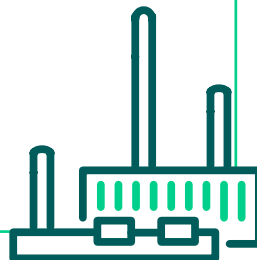
Current Carbon intensity¹

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

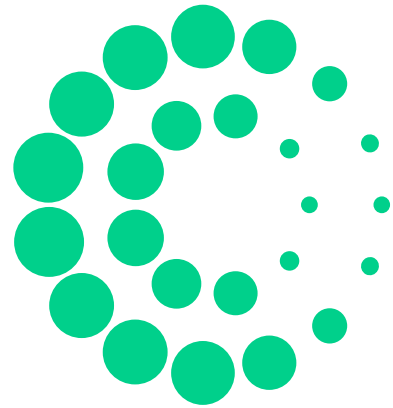


Founding members through Aker ASA. Creates predictability around demand for sustainable and low-carbon materials and products.



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**

Copyright and disclaimer

Copyright

Copyright of all published material including photographs, drawings and images in this document remains vested in Aker Carbon Capture Norway AS and third party contributors as appropriate. Accordingly, neither the whole nor any part of this document shall be reproduced in any form nor used in any manner without written prior permission and applicable acknowledgements. No trademark, copyright or other notice shall be altered or removed from any reproduction.

Disclaimer

This presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for Aker Carbon Capture Norway AS and Aker Carbon Capture Norway AS's (including subsidiaries and affiliates) lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates" or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for Aker Carbon Capture Norway AS's businesses, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the presentation. Although Aker Carbon Capture Norway AS believes that its expectations and the presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the presentation. Aker Carbon Capture Norway AS is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the presentation, and neither Aker Carbon Capture Norway AS nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.