

AKER CARBON CAPTURE

HALF YEAR RESULTS 2021

Second quarter financial highlights

REVENUE

69,318

NOK thousand in the quarter

Up NOK 5,866 thousand compared to the previous quarter

EBITDA

(47,192)

NOK thousand in the quarter

Down NOK 24,528 thousand compared to the previous quarter

EBIT

(48,526)

NOK thousand in the quarter

Down NOK 24,528 thousand compared to the previous quarter

CAPEX AND R&D CAPITALIZATION

87

NOK thousand in the quarter

Down NOK 1,071 thousand compared to the previous quarter

NET CURRENT OPERATING ASSETS (NCOA)

(175,771)

NOK thousand in the quarter

Down NOK 116,867 thousand compared to the previous quarter

CASH AND CASH EQUIVALENTS

552,452

NOK thousand in the quarter

Up NOK 68,786 thousand compared to the previous quarter

Key figures, Aker Carbon Capture group

NOK thousand	Q2 2021	Q1 2021	YTD 2021	FY 2020 (Jul 8 – Dec 31)
Revenue and other income	69,318	63,452	132,770	15,801
EBITDA	(47,192)	(22,664)	(69,856)	(42,701)
EBIT	(48,526)	(23,998)	(72,524)	(44,581)
CAPEX and R&D capitalization	87	1,158	1,245	(2,518)
NCOA	(175,771)	(58,904)	(175,771)	(8,396)
Cash and cash equivalents	552,452	483,666	552,452	457,699
Permanent employees	41	28	41	26

Aker Carbon Capture in brief

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

Best-in-class HSE friendly solvent and other patented plant technologies for better all-round plant performance

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



Key industries

Aker Carbon Capture has identified four prioritized market segments: Cement production, Bio- or waste to energy generation, Gas power and Blue hydrogen. Carbon capture utilization and storage (CCUS) has the potential to remove CO₂ emissions across these segments and thus support the plant operators on their journey towards establishing sustainable business models for the future.



CEMENT

The cement industry accounts for 6-7 percent of CO₂ emissions, from more than 2,000 plants in about 150 countries around the world.



BIO/WASTE-TO-ENERGY

There are more than 1,200 waste-to-energy plants in the world, with 400 of them in Europe. Applying CCS at bio energy plants offers a route towards negative emissions.



GAS-TO-POWER

Gas-fired power plants contributed 23 percent of global power generation in 2019, according to the IEA, and account for some of the biggest single emission points in Europe.



BLUE HYDROGEN

Producing hydrogen from natural gas with CCS, represents a major opportunity to create an efficient energy carrier without greenhouse gas emissions.

Key markets

The carbon capture market is expected to develop into a global market. Aker Carbon Capture has in the initial phase prioritized the European market, where market interest from prospective customers and the regulatory environment to support adaptation of carbon capture technology is most mature.

In 2020, the highest market activity was seen in Scandinavia, Benelux and the UK, with several capture and storage projects being launched.

SCANDINAVIA

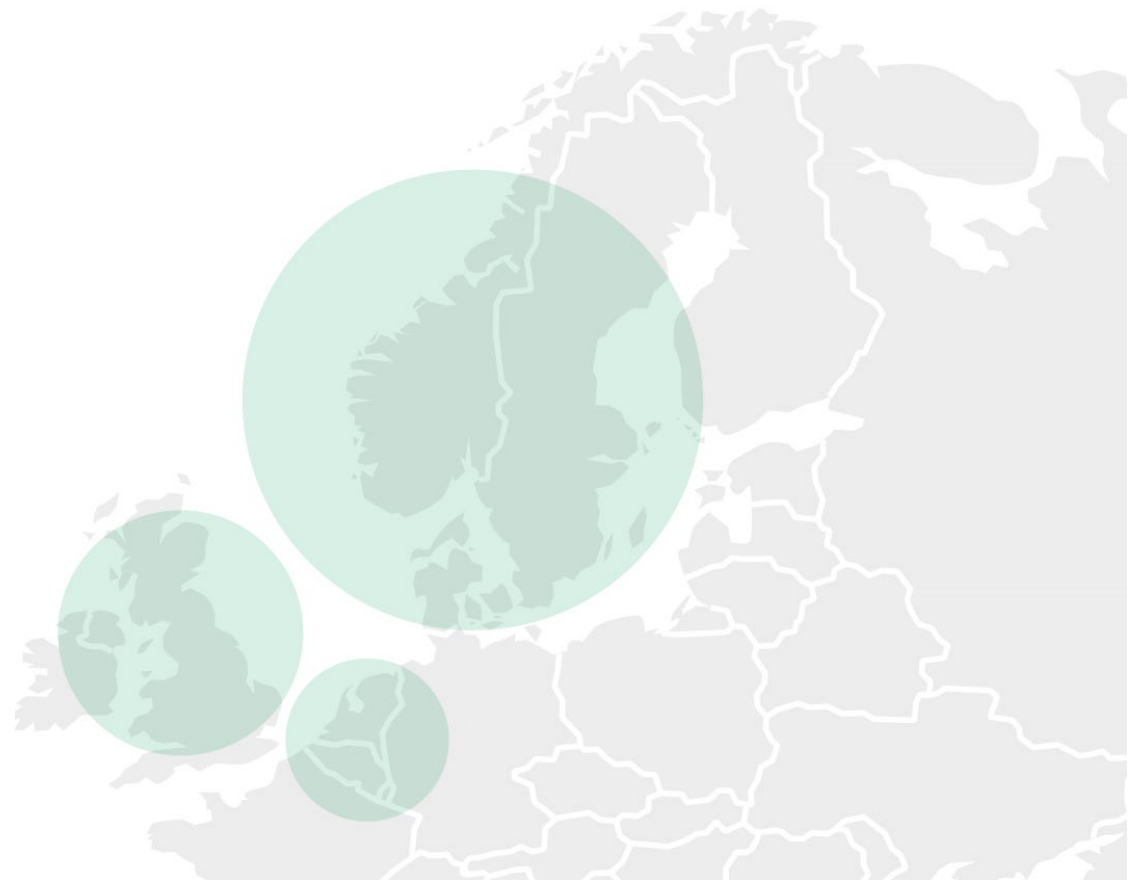
The Norwegian parliament approved funding for the Longship project to establish the full CCS value chain at industrial scale. Aker Carbon Capture won the contract to deliver the world's first carbon capture plant at a cement factory.

BENELUX

The Porthos storage project, outside the Port of Rotterdam, received funding from the EU. Aker Carbon Capture has secured a contract to deliver its modular Just Cast plant to Twence for a waste-to-energy plant in Hengelo, in the Netherlands.

UK

The government launched ambitions to capture 10m tonnes CO₂ by 2030, and plans to invest up to £1 billion to support the establishment of CCUS in 4 industrial clusters.



CCS economics turning positive

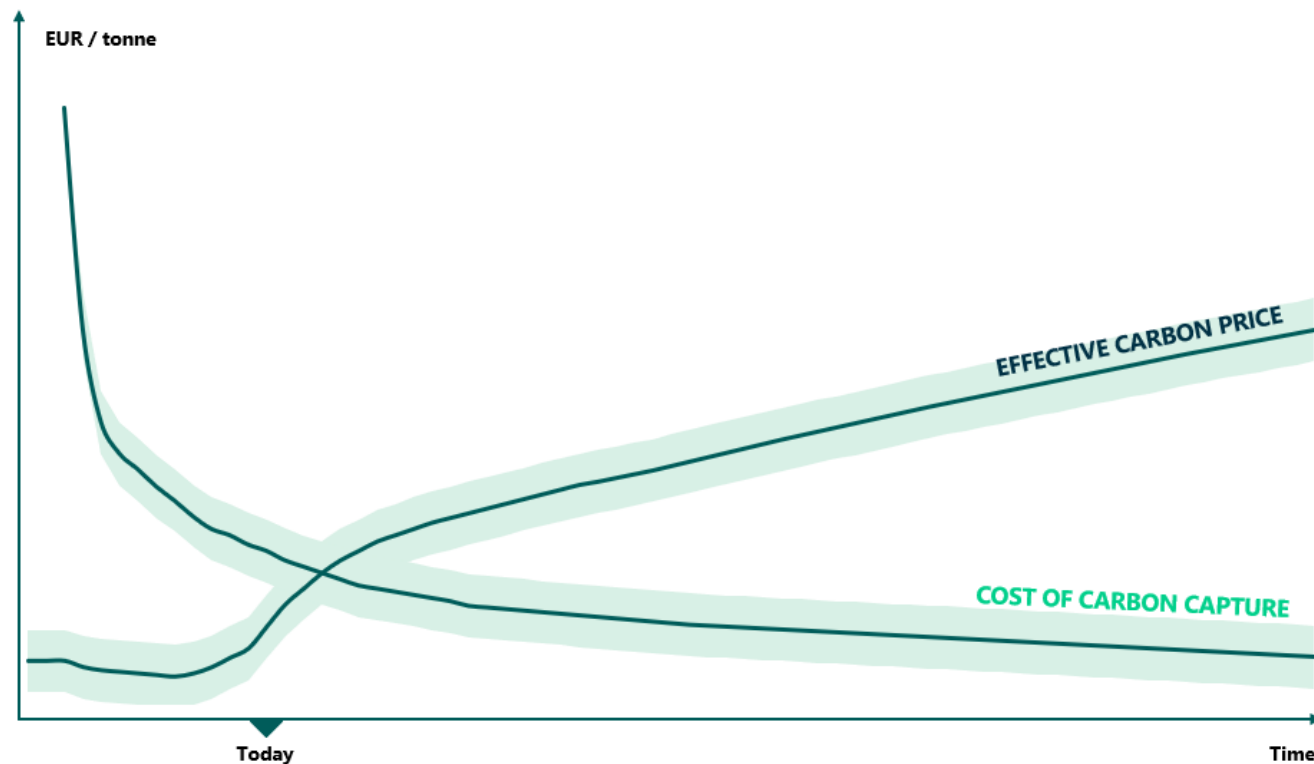
Carbon capture is a cost-competitive option to dramatically cut CO₂ emitted during heavy industry processes such as cement, steel and chemicals production. It can also be more cost-effective to retrofit CCUS to existing facilities than building new capacity with alternative technologies. The cost of emitting CO₂ to the atmosphere is expected to rise further in the European quota market, and beyond. At the same time, Aker Carbon Capture has identified several cost-reducing initiatives. Cost reduction is viewed as a key strategic pillar to execute the Group's strategy to improve project economics.

Continuous cost reductions

- Standardization of products
- Digitalization
- Technology development
- Competitive supply chains
- Learning by doing

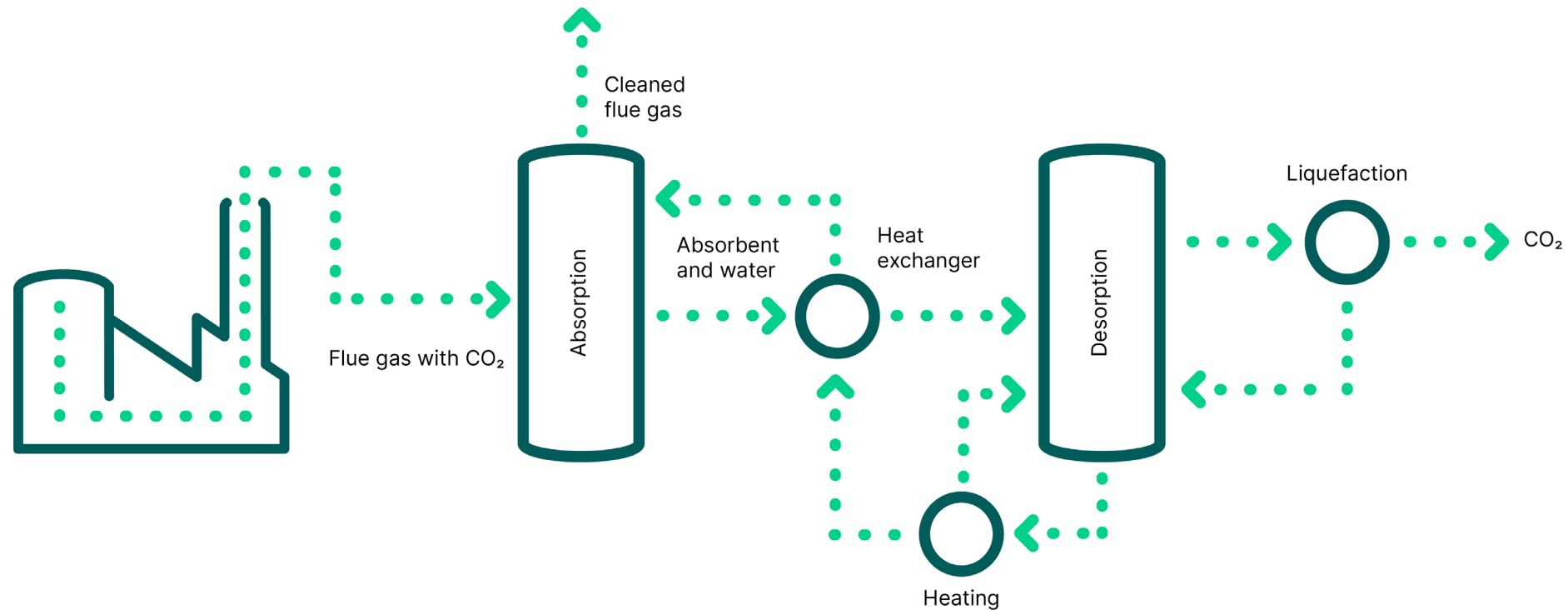
Favorable price development

- Other regulations
- New carbon taxes
- CO₂ quota system
- Public sentiment



CCS technology

Aker Carbon Capture's technology is cost-effective, robust and flexible, meaning it can be applied to existing plants or new builds. Our proprietary carbon capture process uses a mixture of water and organic amine solvents to absorb the CO₂. This process can be applied on emissions from various sources, from gas, cement, refineries, and waste-to-energy through to hydrogen and other process industries.



Aker Carbon Capture group

Business Update

The start-up of the Brevik CCS EPC contract marked a breakthrough for Aker Carbon Capture and the carbon capture industry, being first carbon capture project at a cement facility in the world. Awarded to Aker Carbon Capture by Norcem HeidelbergCement, the project commenced in January 2021 and through the first half of the year key milestones have been achieved according to plan. The plant is scheduled to be in operation in 2024.

During the first six months of 2021, Aker Carbon Capture saw an increasing demand for CCUS feasibility studies. The activity was driven by the company's prioritized markets, as well as new geographies and industries.

Forming partnerships and collaborating with prospective customers and suppliers of technologies and solutions are central to Aker Carbon Capture's strategy to realize its ambitions. Five such collaborative agreements were signed during the first half of 2021.

In January, Aker Carbon Capture and Hitachi Zosen Inova signed an MoU to collaborate on CCUS solutions for the European waste to energy industry. The two companies are jointly working to deploy their deep domain expertise to optimize the integration of carbon capture in both new and existing waste incinerators across Europe.

In February, Aker Carbon Capture signed an MoU with Lyse and Forus Energi to explore ways to support the development of a full-scale carbon capture and storage facility in the Stavanger/Sandnes region in southwestern Norway.

In March, Aker Carbon Capture, Ørsted and Microsoft signed an MoU to explore ways to support the development of carbon capture and storage at biomass-fired heat and power plants in Denmark. By capturing the carbon emitted by biomass-fired heat and power plants and storing it underground, it is possible to not only reduce, but also remove carbon from the atmosphere – negative emissions, as carbon from sustainable biomass is part of a natural biogenic carbon cycle.

Later in March, Aker Carbon Capture and Siemens Energy signed an MoU aimed at developing combined offerings for carbon capture solutions that can be applied to gas turbines and gas-fired power plants. The intention is also to explore ways to jointly fast-track development of major projects globally.

In April, Aker Carbon Capture announced a collaboration agreement with SINTEF, one of Europe's largest independent research organizations. The ambition is to accelerate deployment of industry scale CCUS through research, development, and innovation.

In June, Aker Carbon Capture made its stock eligible for trading by a wider pool of investors by moving to Oslo Stock Exchange from Euronext Growth. Separately, Aker Carbon Capture was quoted on OTCQX in the US. The OTCQX Market offers a platform for companies seeking to provide transparent trading for their U.S. investors.

Due to increased market activity, Aker Carbon Capture has established new legal entities and local presence in Denmark and UK. This is in line with the company's prioritized focus on the European market, with Scandinavia, UK and Benelux leading the way. At the same time, emerging opportunities in North America are being closely monitored.

Financial Performance

Aker Carbon Capture presents its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. All amounts below refer to the consolidated financial statements for the group, unless otherwise stated.

Aker Carbon Capture revenues in the second quarter were NOK 69,318 thousand, while EBITDA in the second quarter was negative NOK 47,192 thousand.

Revenues for the first half year were NOK 132,770 thousand mainly driven by the Norcem Brevik CCS EPC project which is progressing as planned. In addition, FEED and CCUS feasibility studies generated revenues in the period.

EBITDA was negative NOK 69,856 thousand for the first half year mainly impacted by increased activity related to sales and tender, technology development, digitalization, growth and Oslo Stock Exchange listing. There was no contribution from the Norcem Brevik CCS EPC project as profit will only be recognized when reaching a high level of certainty in cost estimates.

Depreciation and amortization amounted to NOK 1,334 thousand in the quarter and NOK 2,669 thousand for the first half year. This includes depreciation of Right-of-use assets (IFRS 16) of NOK 1,256 thousand for the second quarter and NOK 2,511 thousand for the first half year.

Net financial items were negative NOK 32 thousand for the quarter and positive NOK 141 thousand for the first half year.

Net tax expense in the quarter and first half is NOK 0 thousand. No deferred tax assets have been recognized as the companies are newly founded and have no history of taxable profits.

The group reported net loss of NOK 48,558 thousand in the second quarter and net loss of NOK 72,384 thousand for the first half year.

Earnings per share were negative NOK 0.09 for the second quarter and negative NOK 0.13 for the first half year.

Financial Position

Net current operating assets were negative NOK 175,771 thousand at the end of June, a decrease of NOK 116,867 thousand since previous quarter and a decrease of NOK 167,376 thousand since year-end 2020. The decrease was primarily driven by received payments for achieved project milestones on the Norcem Brevik CCS EPC project, which is expected to cover payables in coming two quarters.

Net cash flow from operations was NOK 69,939 thousand in the quarter and NOK 98,129 thousand for the first half year. The cash flow from investing activities was negative NOK 87 thousand and NOK 1,245 thousand for the quarter and first half year, respectively.

Cash and cash equivalents at the end of the quarter was NOK 552,452 thousand.

Total equity amounted to NOK 379,476 thousand on June 30, 2021, a decrease of NOK 72,384 thousand since year-end 2020.





Principle Factors Affecting Financial Condition and Results

Some of the factors that are expected to influence Aker Carbon Capture's business, financial condition, results of operations and cash flows, are:

- In order to meet the global climate targets, set out in the Paris Agreement, it is fundamental that governments, companies and individuals make a transition to a low-carbon economy. Since not all emissions can be removed by applying renewable energy options, CCUS is considered to play an important and diverse role in meeting the global energy and climate goals.
- Aker Carbon Capture's revenues relate to projects where technology, engineering, procurement and construction is delivered within the large-scale CCUS value chain, with a core focus on supplying the solutions and technology which together comprise a carbon capture plant and the downstream processing and management of CO₂ (including capture, compression, liquefaction and intermediate storage at site). Project execution is a key component of all deliveries and successful execution of ongoing engagements is an important source of generating new business.
- Aker Carbon Capture have industry leading organic amine solvents and carbon capture technology, but continuous technological development and innovation is key to maintain a leading position and to be at the forefront in developing next generation capture technology and solutions.

- Aker Carbon Capture's access to capital impacts both its ability to invest in new projects and acquisitions within the CCUS value chain.
- Aker Carbon Capture's ambition of being a technological leader and its ability to deliver its projects and ambitions rests on its ability to attract and retain specialist talent within areas of technological development, digitalisation, business development, engineering, and project management.
- Aker Carbon Capture benefits from the financial and operational capabilities of Aker ASA and the companies Aker ASA is invested in, including but not limited to Aker Horizons ASA.

Aker Carbon Capture's Oslo Stock Exchange listing prospectus (16 June, 2021) provides more information on principle factors affecting the financial condition and results of operations.

Principle Risks and Uncertainty

Aker Carbon Capture is operating in a global market which is influenced by CO2 taxes, government subsidies and volatile commodity prices which provide both opportunities and risks that may affect the company's operations, performance, finances, reputation and share price. It is evident that external risk factors such as pandemics, market risk, CO2 tax levels, ethical and political risks and climate related risks may have a significant adverse impact on the company, in addition to internal risk factors such as operational risks and financial risks. These risk factors are further described below:

- Aker Carbon Capture is subject to CCUS market risk, including risk that CCUS market may not develop in a sufficient speed and risk for increased volatility of global economic and social conditions.
- Aker Carbon Capture has implemented policies and procedures to act according to domestical and international standard, anchored with the Code of Conduct visible on the company website. The company has limited direct exposure in countries associated with high political, corruption and human rights risks. Aker Carbon Capture could, nevertheless, potentially become involved in unethical behaviour, either directly or through third parties and partners.
- Aker Carbon Capture is exposed to legal, regulatory, and political risks, decisions on environmental regulation and international sanctions that impact supply and demand, as well as risks associated with unethical and criminal behaviour such as cyber-security attacks.

- Aker Carbon Capture is subject to project execution and contractual risk through contracts on fixed price, reimbursable and a combination of these. The main risks are related to fixed price contracts, where potential cost overruns will need to be covered by the company. The projects are demanding from technology and complexity point of view, with extensive sourcing, sub-contracting and project management activities. These can impact upon the company's ability to deliver on time and in accordance with a contract, potentially harming Aker Carbon Capture's reputation, performance and finances.
- Aker Carbon Capture is exposed to a variety of financial market risks such as currency risk, interest rate risk, tax risk, price risk, credit and counterparty risk, liquidity risk and capital risk as well as risks associated with access to and terms of financing.

Aker Carbon Capture's Oslo Stock Exchange listing prospectus (16 June, 2021) provides more information on risks and uncertainties.

The Aker Carbon Capture Share

The company had a market capitalization of NOK 11.2 billion on June 30, 2021. The company owned no own shares at the end of the quarter.

Fornebu, July 11, 2021
The Board of Directors and
CEO of Aker Carbon Capture ASA





Interim financial statements

Declaration by the board of directors and CEO

The Board of Directors and the CEO have today considered and approved the consolidated condensed financial statements for the six months ended June 30, 2021, for the Aker Carbon Capture Group.

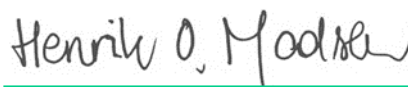
The Board has based this declaration on reports and statements from Aker Carbon Capture's CEO, the results of Aker Carbon Capture's activities, and other information that is essential to assess Aker Carbon Capture's position.

To the best of our knowledge:

- The consolidated condensed financial statements for the six months ended June 30, 2021, have been prepared in accordance with IAS 34 - Interim Financial Reporting and additional disclosure requirements under the Norwegian Securities Trading Act.
- The information provided in the financial statements gives a true and fair portrayal of Aker Carbon Capture Group's assets, liabilities, profit, and overall financial position as of June 30, 2021.
- The information provided in the report for the first half 2021 provides a true and fair overview of the development, performance, financial position, important events and significant related party transactions in the accounting period as well as the most significant risks and uncertainties facing Aker Carbon Capture Group.

Fornebu, July 11, 2021

The Board of Directors and CEO of Aker Carbon Capture ASA



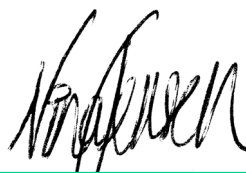
Henrik Overgaard Madsen
CHAIRMAN



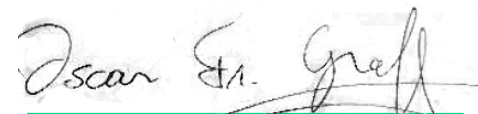
Kristian Monsen Røkke
BOARD MEMBER



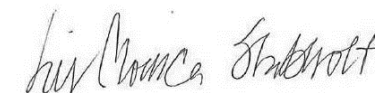
Øyvind Eriksen
BOARD MEMBER



Nina Kristine Jensen
BOARD MEMBER



Oscar Fredrik Graff
BOARD MEMBER



Liv Monica Stubholt
BOARD MEMBER



Linda Litlekalsøy Aase
BOARD MEMBER



Valborg Lundegaard
CEO

Condensed consolidated income statement and other comprehensive income

Condensed consolidated statement for the period 1 January to 30 June

<i>Amounts in NOK thousand</i>	<i>Note</i>	<i>1H 2021</i>
Revenues	4	132,770
Operating expenses		(202,626)
Operating profit before depreciation, amortisation and impairment		(69,856)
Depreciation, amortisation and impairment		(2,669)
Operating profit (loss)		(72,524)
Net financial items	5	141
Profit (loss) before tax		(72,384)
Tax benefit (expense)		-
Profit (loss) for the period		(72,384)
Other comprehensive income		-
Total comprehensive income (loss)		(72,384)
Earnings (loss) per share in NOK (basic and diluted)		(0,13)



Condensed consolidated balance sheet

Assets

<i>Amounts in NOK thousand</i>	<i>Note</i>	<i>30 June 2021</i>	<i>31 December 2020</i>
Non-current assets			
Property, plant and equipment		3,606	2,610
Right-of-use assets		10,673	13,184
Intangible assets		3,884	3,792
Total non-current assets		18,162	19,586
Current assets			
Trade and other receivables		239,468	7,196
Cash and cash equivalents		552,452	457,699
Total current assets		791,920	464,896
Total assets		810,082	484,481

Equity and liabilities

<i>Amounts in NOK thousand</i>	<i>Note</i>	<i>30 June 2021</i>	<i>31 December 2020</i>
Equity			
Share capital		566,060	566,060
Other paid-in capital		(186,584)	(114,200)
Total equity		379,476	451,860
Non-current liabilities			
Pension liabilities		2,981	2,849
Non-current lease liabilities	6	6,508	9,272
Total non-current liabilities		9,489	12,121
Current liabilities			
Current lease liabilities	6	5,877	4,908
Trade and other payables		415,239	15,592
Total current liabilities		421,116	20,500
Total equity and liabilities		810,082	484,481

Condensed consolidated statement of cash flow



<i>Amounts in NOK thousand</i>	<i>Note</i>	<i>1H 2021</i>
Profit (loss) before tax		72,384
<i>Adjustment for:</i>		
Amortisation and depreciation		2,669
Accrued interest and foreign exchange		336
Changes in net current operating assets		167,508
Cash flow from operating activities		98,129
Acquisition of property, plant and equipment		(1,153)
Payments for capitalised development		(92)
Cash flow from investing activities		(1,245)
Payment of finance lease liabilities		(2,131)
Cash flow from financing activities		(2,131)
Net cash flow in the period		94,753
Cash and cash equivalents at the beginning of the period		457,699
Cash and cash equivalents at the end of the period		552,452

Condensed statement of changes in equity

<i>Amounts in NOK thousand</i>	<i>Note</i>	<i>Share capital</i>	<i>Other paid-in capital</i>	<i>Total equity</i>
Equity as of 1 January 2021		566,060	(114,200)	451,860
Total comprehensive income		-	(72,384)	(72,384)
Equity as of 30 June 2021		566,060	(186,584)	379,476

Notes

Note 1 General

Aker Carbon Capture is a global provider of products, technology and solutions within the field of carbon capture, utilization and storage, and is one of the few companies globally that are involved in the entire CCUS value chain. The main office is at Fornebu, Norway. On 26 August 2020, the Company was made available for trading on Euronext Growth (Oslo) under the ticker ACC-ME, on 18 June 2021 the company moved from Euronext Growth (Oslo) to Oslo Stock Exchange (Oslo Børs). The company now trades under the ticker ACC.

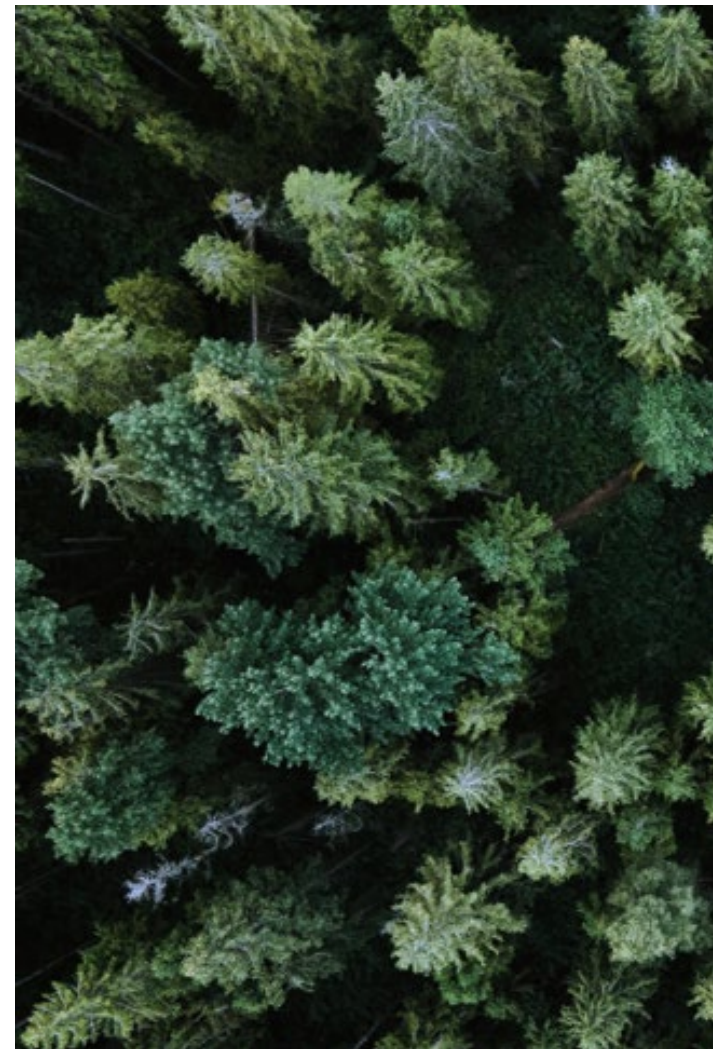
The consolidated financial statements of Aker Carbon Capture ASA incorporate the financial statements of the company and its subsidiaries collectively referred to as “the group” or “the company” and separately as group companies. The parent company Aker Horizons ASA publishes consolidated financial statements. The Resource Group TRG AS is the ultimate parent company of Aker Carbon Capture ASA.

Note 2 Basis for preparation

The condensed consolidated financial statements of Aker Carbon Capture comprise the consolidated half year figures of Aker Carbon Capture ASA and its subsidiaries. As a result of rounding differences, numbers or percentages may not add up to the total.

Aker Carbon Capture's condensed financial statements for the six months ended 30 June 2021 are prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting. The condensed consolidated interim financial statements do not include all of the information and disclosures required for a complete set of annual consolidated financial statements, and should be read in conjunction with Aker Carbon Capture's Annual Report 2020. The accounting policies applied in these financial statements are the same as those applied in the group's consolidated financial statements as for the year ended 31 December 2020.

The condensed consolidated interim financial statements are unaudited.





Note 3 Judgements, estimates and assumptions

In applying the accounting policies, management makes judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates is recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing these interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of uncertainty in the estimates are consistent with those applied to the consolidated financial statements as for the period ended 31 December 2020.

Note 4 Revenue from contracts with customers

Type of contracts

Revenue from contracts with customers in the scope of IFRS 15 is disaggregated into the following table by major contract type.

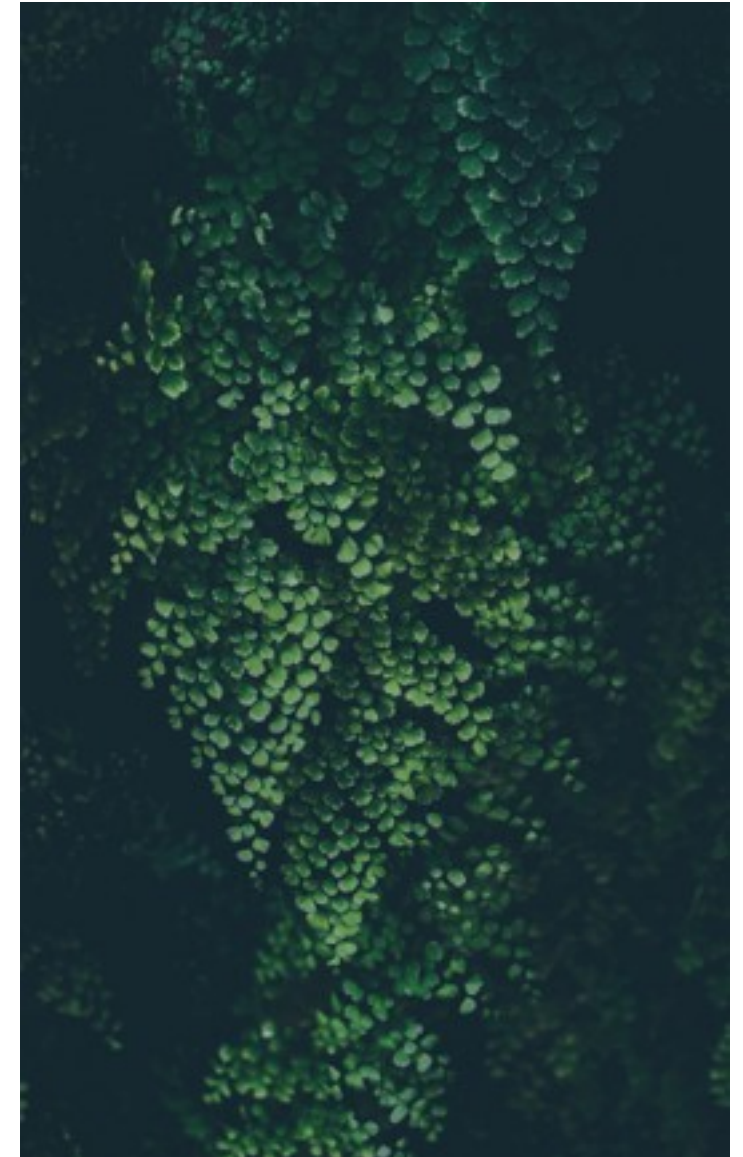
<i>Amounts in NOK thousand</i>	<i>1H 2021</i>
Service revenue	7,691
Construction revenue	125,079
Total	132,770

All revenues in the table above are recognized over time.

Contract balances

The group has recognized the following assets and liabilities related to contract with customers:

<i>Amounts in NOK thousand</i>	<i>30 June 2021</i>	<i>31 December 2020</i>
Trade receivables	231,366	5,171
Customer contract assets	4,177	191
Customer contract liabilities	(254,969)	(1,395)
Total	(19,426)	3,967





Note 5 Net financial items

Net financial items

<i>Amounts in NOK thousand</i>	1H 2021
Interest expense on lease liabilities	(337)
Net foreign exchange gain (loss)	(83)
Interest income	561
Net financial items	141

Note 6 Related parties

All transactions with related parties have been carried out based on arm's length terms. For detailed description of related party transactions, please refer to note 17 in Aker Carbon Capture's Annual Report 2020.

Below is a summary of transactions and balances between Aker Carbon Capture and the subsidiaries and its related parties.

Income statement

<i>Amounts in NOK thousand</i>	1H 2021
Revenue	1,649
Operating cost	(61,232)
Net financial items	(337)

Balance sheet - Assets (Liabilities)

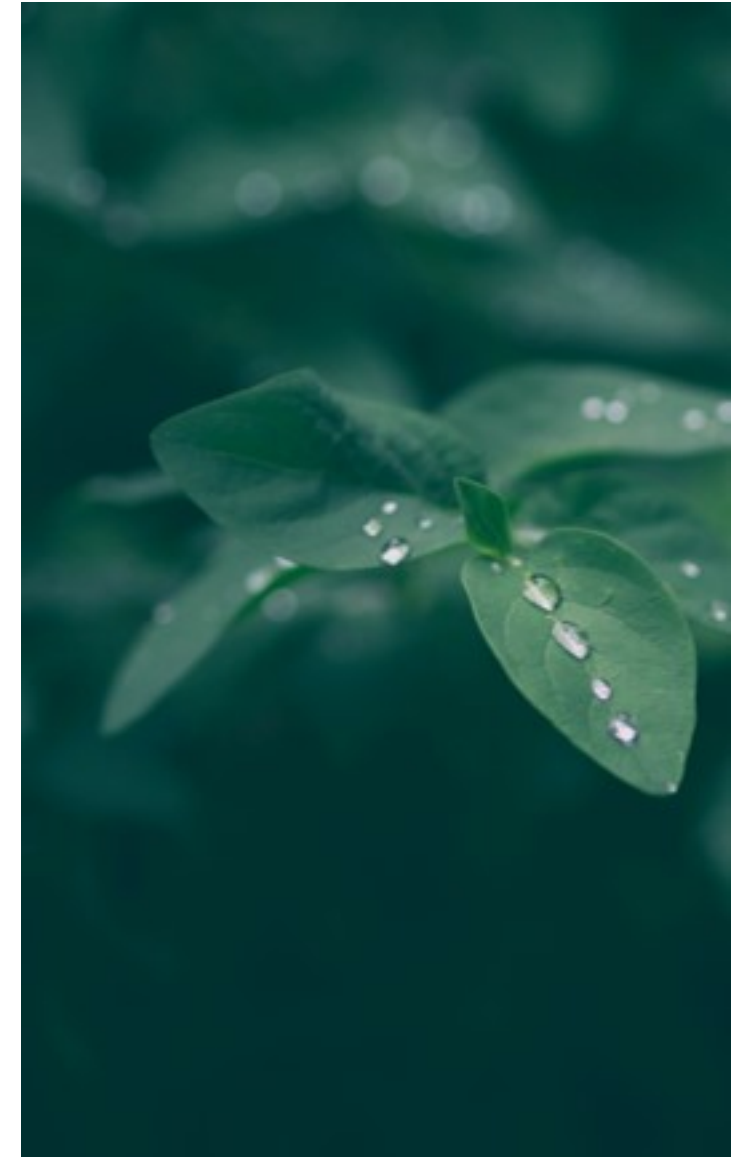
<i>Amounts in NOK thousand</i>	30 June 2021	31 December 2020
Trade and other receivables	375	-
Lease liabilities	(12,385)	(14,181)
Trade and other payables	(24,259)	(7,579)

Note 7 Commitments and off balance sheet items

The group has provided guarantees on behalf of subsidiaries as of 30 June 2021. Although guarantees are financial instruments, they are considered contingent obligations and the notional amounts are not included in the financial statements.

Guarantees

Aker Carbon Capture ASA has entered into a parent company guarantee related to project performance on behalf of group companies. In addition, Aker Carbon Capture Norway AS has entered into a NOK 750 million Advance Payment Guarantee facility. According to the advanced payment facility, the group has an obligation to ensure that it has sufficient cash or cash equivalents, whereby the total cash and cash equivalents held by the group shall be at least equal to 25% of any outstanding guarantees under the guarantee facility, and in any event, minimum NOK 100 million.





Alternative Performance Measures

Aker Carbon Capture discloses alternative performance measures in addition to those normally required by IFRS as such performance measures are frequently used by securities analysts, investors and other interested parties. Alternative performance measures are meant to provide an enhanced insight into the operations, financing and future prospects of the company. These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period. It is Aker Carbon Capture's experience that these measures are frequently used by securities analysts, investors and other interested parties.

Definitions

EBITDA

Earnings before interest, tax, depreciation and amortisation, corresponding to "Operating profit before depreciation, amortisation and impairment" in the consolidated income statement.

EBIT

Earnings before interest and tax, corresponding to "Operating profit (loss)" in the consolidated income statement.
Capex

Net current operating assets (NCOA)

A measure of working capital. It is calculated by trade and other receivables minus trade and other payables.

Reconciliation

The table below show the reconciliation of alternative performance measures to the line items in the consolidated financial statements according to IFRS.

<i>Amounts in NOK thousand</i>	30 June 2021	31 December 2020
Trade and other receivables	239,468	7,196
Trade and other payables	(415,239)	(15,592)
Net current operating assets (NCOA)	(175,771)	(8,396)

Contact

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CAPTURE**

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