



AKER CARBON
CAPTURE

Q3 2021

Oslo, October 25, 2021

Valborg Lundegaard, CEO

Agenda

Introduction and highlights

Market trends

Operations and business development

Carbon Capture as a Service

Finance

Q&A

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





Highlights

Brevik CCS progressing according to plan

MoUs

- Viridor
 - Carbonor
 - Greensand
-

Twence funding approved by EU

Carbon Capture as a Service launched

Testing on smelter emissions with Elkem

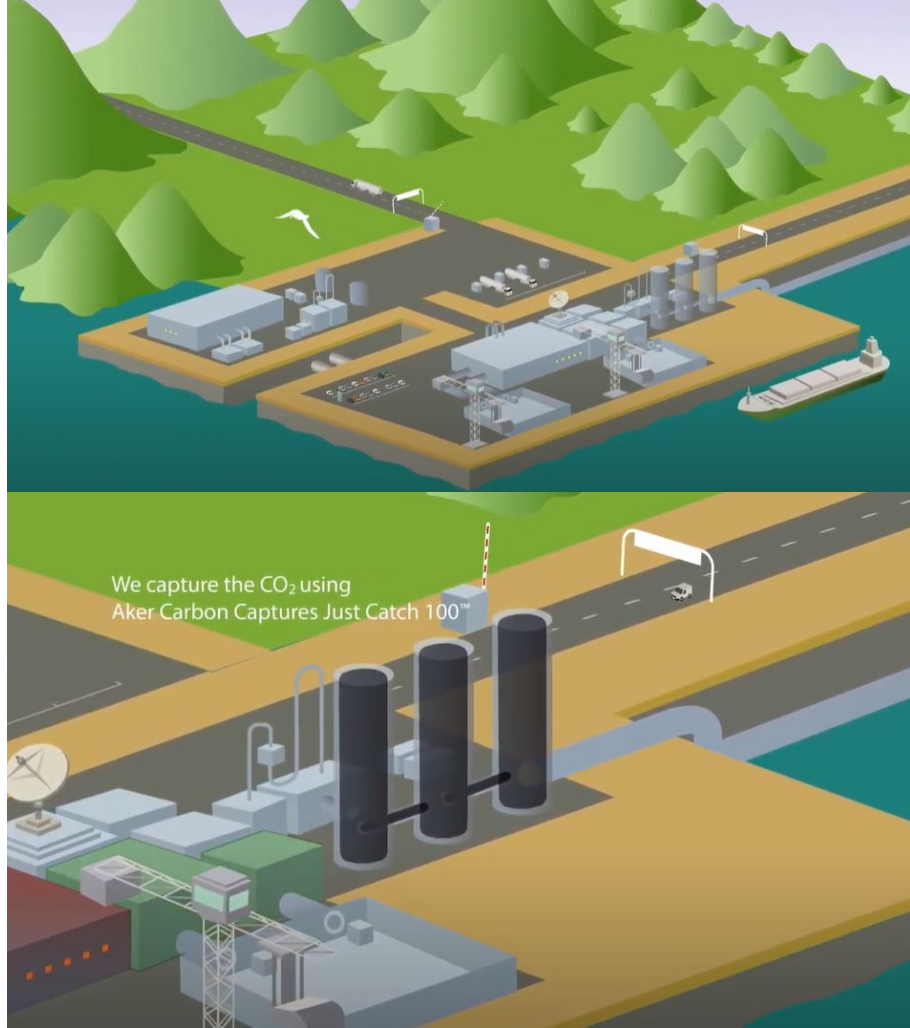
Capital raise through private placement

MoU with Viridor



- Viridor, supported by its shareholder KKR, has announced acceleration of decarbonisation to become the first net zero waste company by 2040.
- Viridor unveiled plans that could unleash up to £1bn private investment into the UK.
- Viridor has partnered with pure-play CCUS specialist Aker Carbon Capture for the delivery of five modular plants.
- This partnership with Aker Carbon Capture could accelerate Viridor's net zero plans by a decade to 2030.
- Developing the modular CCUS plants on the five waste-to-energy sites combined with two planned bespoke CCUS plants, would deliver about 1.5 million tonnes CO₂ savings a year, meeting 15 percent of the UK government's 2030 emissions reduction target

Carbonor MoU



The project could become the first in which carbon capture and storage is sold as a service, where the emitter pays a fee based on the volume of carbon captured.

Carbonor and Aker Carbon Capture have signed an MoU to jointly develop Carbonor's planned low CO₂ char production in Øygarden in western Norway.

The project will utilize Aker Carbon Capture's Just Catch 100 technology integrated with Carbonor's pyrolysis technology to produce low-emission, high-carbon reductants for the alloy industry.

The Mobile Test Unit is in Poland testing carbon capture at a char facility.

Greensand CO₂ Storage Project in Denmark



Scope of work

Aker Carbon Capture is supporting the Greensand project as one of 29 Danish and international companies and research institutes that have joined forces to carry out a dedicated pilot project.

The project, which is led by Ineos Oil & Gas and Wintershall DEA, aims to demonstrate that CO₂ can be injected into the Nini West reservoir offshore Denmark, as well as supporting the deployment of cost-effective and environmentally safe monitoring technologies.

Open access infrastructure for transport and storage of CO₂ is key to deliver on the Paris agreement, and Aker Carbon Capture is proud to support national infrastructure projects with key capabilities and experience.

Mobilising the Mobile Test Unit with Elkem



Aker Carbon Capture and Elkem will work on the first application of carbon capture with smelters in the process industry, utilising Aker Carbon Capture's mobile test unit service.

The project starts with Elkem Rana and SMA Mineral in Mo Industrial park, is a collaboration with a number of industrial partners, and has support from the Research Council of Norway and Gassnova.

The test unit will capture carbon emissions from the industrial production of advanced materials including ferrosilicon and microsilica from Elkem, and lime and dolomite from SMA Mineral.

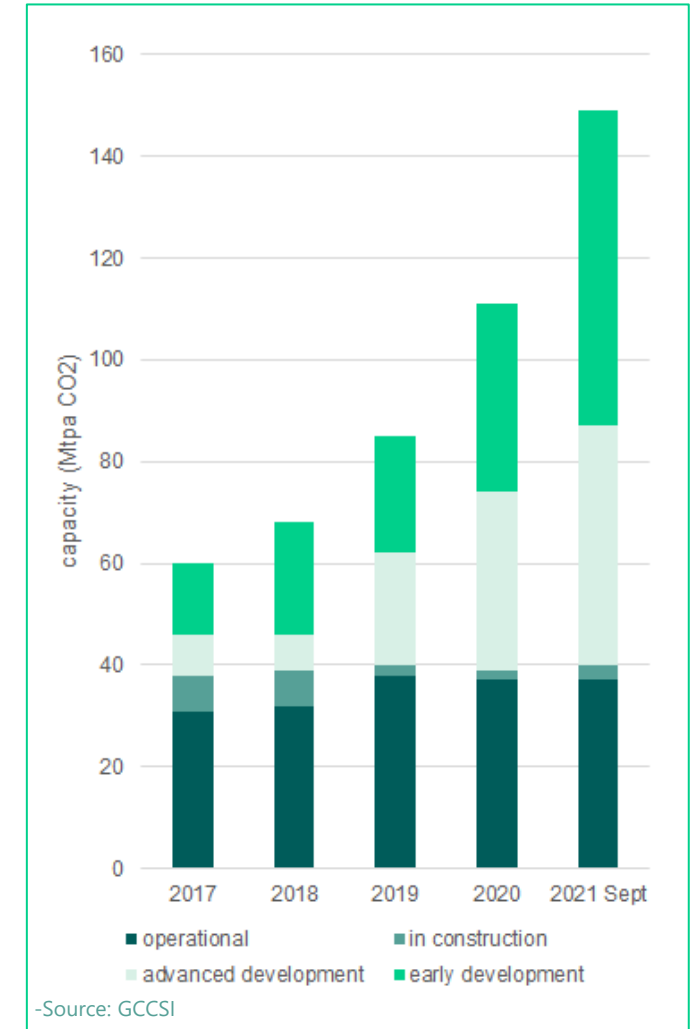
This two year program is the third major test project for Aker Carbon Capture in Norway, following Norcem in Brevik and Fortum Oslo Varme at Klemetsrud, and follows other work across Norway, Europe and the USA.



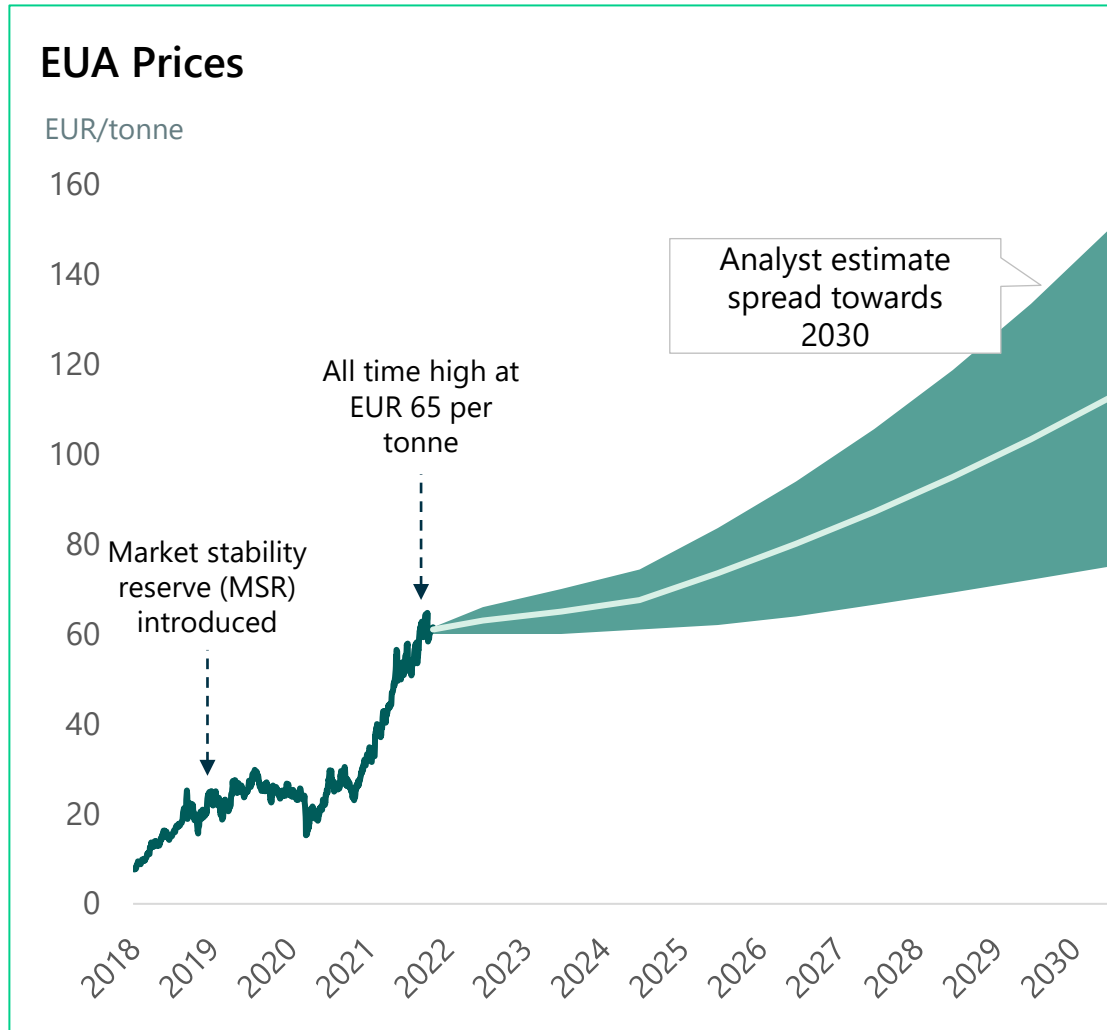
Market trends

Carbon capture market accelerating

- Number of facilities in operation/development doubled since last year, equivalent to ~150 million tonnes per year
- Global project pipeline capacity up 48% versus end 2020
- Global CCS Institute's latest report shows 13 of the 20 industrial CCS clusters in advanced development are in Scandinavia, Europe and UK, ACC's target markets
- Firm policy support – 2050 EU climate neutrality targets legally binding, reducing 2030 emissions by 55% vs. 1990
- IPCC's 6th assessment sets remaining CO₂ emission budget to 500 billion tonnes to keep global warming within 1.5°C (2,560 billion tonnes emitted since 1750)
- CCS a key part of IEA Net Zero 2050 roadmap, showing a need for significant investment and capacity growth:
 - 1,300 million tonnes carbon capture by 2030, 5,200 million by 2050
 - CCS could grow to match size of current natural gas industry



“Fit for 55” ETS tightening expected to drive up carbon prices

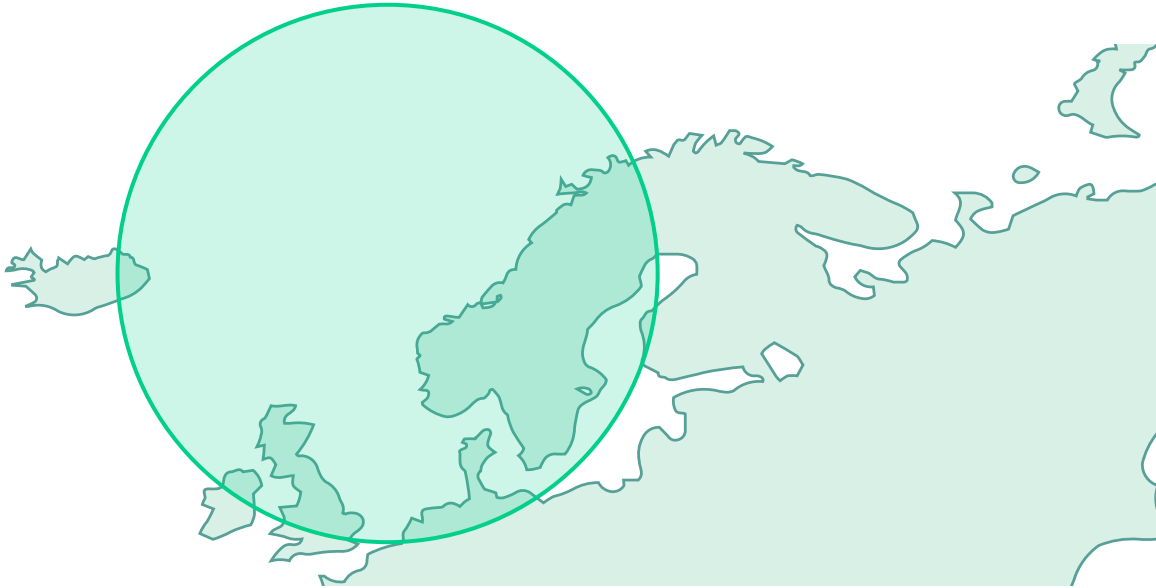


- Analyst 2030 targets range from EUR 75 to EUR 150 per tonne CO₂
- IEA sustainable development scenario requiring EUR ~110 per tonne¹
- Role of the ETS emphasized in EU's “Fit for 55” climate policy proposal:
 - Further tightened allowance supply from 2023
 - Allowances in MSR above the previous year's auction volume no longer be valid from 2023
 - Carbon border adjustment mechanism introduced
 - Doubling size of the Innovation fund
- EU taxonomy ‘recognises CCS’; gives emitters using carbon capture potential access to EU green bonds



Operations and business development

Key markets and industries



Main activity in Northern Europe

- Scandinavia
 - Benelux
 - UK
- ...opportunities emerging in North America

Prioritized industries



Cement



Bio/Waste-to-energy



Gas-to-power



Blue hydrogen

Cement industry

Brevik CCS

- Project to deliver the world's first CCS plant at a cement facility started up in Q1
- Scope: EPC delivery of a complete CO₂ capture plant in Brevik, Norway for Norcem HeidelbergCement
- Project commenced in January
- Key milestones achieved according to plan
- 400,000 t/pa capture plant
- Contract value at award of ~NOK 1.7 billion
- In operation from 2024

Market

- Cement industry represents 6-7% of global emissions

Image: West Welding



Brevik CCS live:
kunde.bygggekamera.no



Bio/Waste-to-energy

Twence

- EU has found a Euro 14.3 million Dutch investment aid to Twence to be in line with EU State aid rules.
- Planned start-up of the EPC project Q4 2021

Viridor MoU

- Announced 19 October

Ørsted and Microsoft

- MoU to explore ways to support the development of carbon removals at biomass-fired heat and power plants, in Denmark
- Study for carbon capture at one of Ørsted's sites is ongoing

BIR

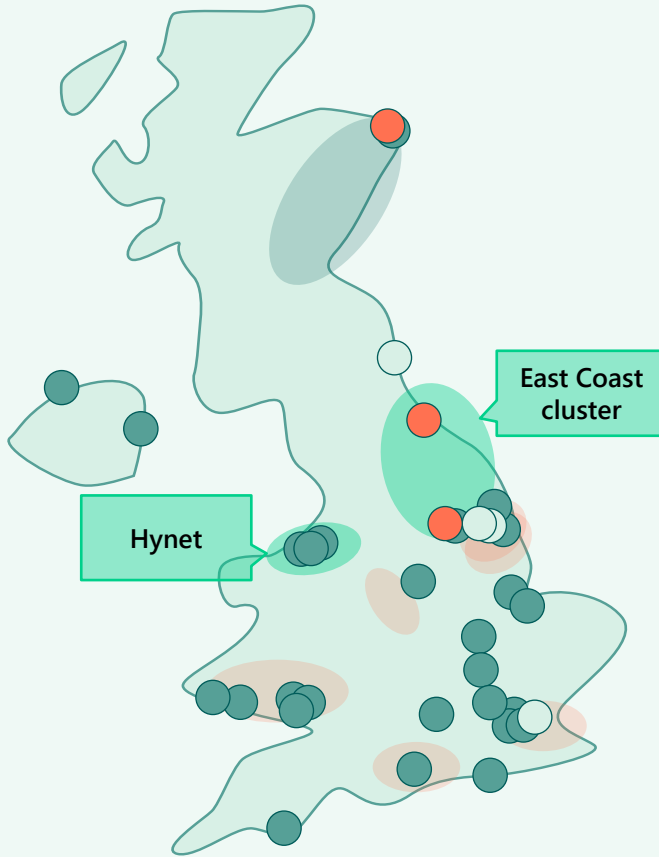
- Largest CO₂ emitter in Bergen, Norway and located only 60 km from the Northern Lights terminal
- Study ongoing

Forus Energi & Lyse

- MoU to explore development of a full-scale CCS facility in Stavanger/Sandnes region in southwestern Norway
- Study ongoing

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

UK Industrial Decarbonization Strategy

- Ambition increased from 10 to 20-30 MtCO₂ per year by 2030
- Hynet and East Coast Clusters (Teesside, Humber) confirmed as track 1

Aker Carbon Capture

- Aker Carbon Capture will work closely with the consortium of Aker Solutions, Siemens Energy and Doosan Babcock to deliver gas fired power plants with carbon capture in the UK.

Major project opportunities progressing incl.

- BP Net Zero Teesside
- SSE Keadby 3
- Each with a design capacity of 2.0 – 2.2 MTPY

Blue Hydrogen

Market

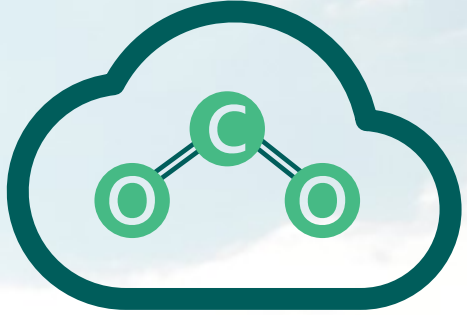
- IEA estimates 33% and 38% of global hydrogen market to be "Blue" in 2030 and 2050 respectively
- The European Union foresees investments of EUR 11 billion for retrofitting half of the existing European hydrogen plants with carbon capture and storage before 2030
- UK launches first 'Hydrogen Strategy' targeting both blue and green hydrogen, with support from GBP 1 billion Carbon Capture and Storage Infrastructure fund
- Blue hydrogen now accounts for over 20% of all CCS projects under development in the USA

Aukra

- Exploring opportunities to establish a regional blue hydrogen hub with the development partners: Aker Clean Hydrogen, Aukra Municipality, Shell and Cape Omega



✓ **Technology Partner:**
Haldor Topsoe and Sintef



CARBON CAPTURE AS A SERVICE
Carbon capture made easy

Carbon Capture as a Service

One technology – several offerings

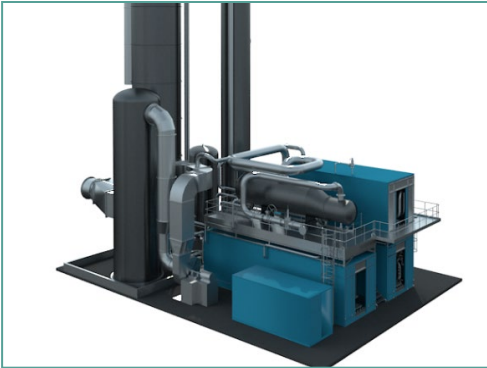
Key offerings



Big Catch

Capacity: > 400,000 tonnes/year

- Made to order
- ~30-36 months delivery time¹
- Larger footprint
- Using bulk materials – cost efficient
- Retrofit potential



Just Catch™

Capacity: 40,000 & 100,000 tonnes/year

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

Delivery models

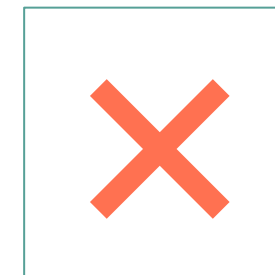
EPC



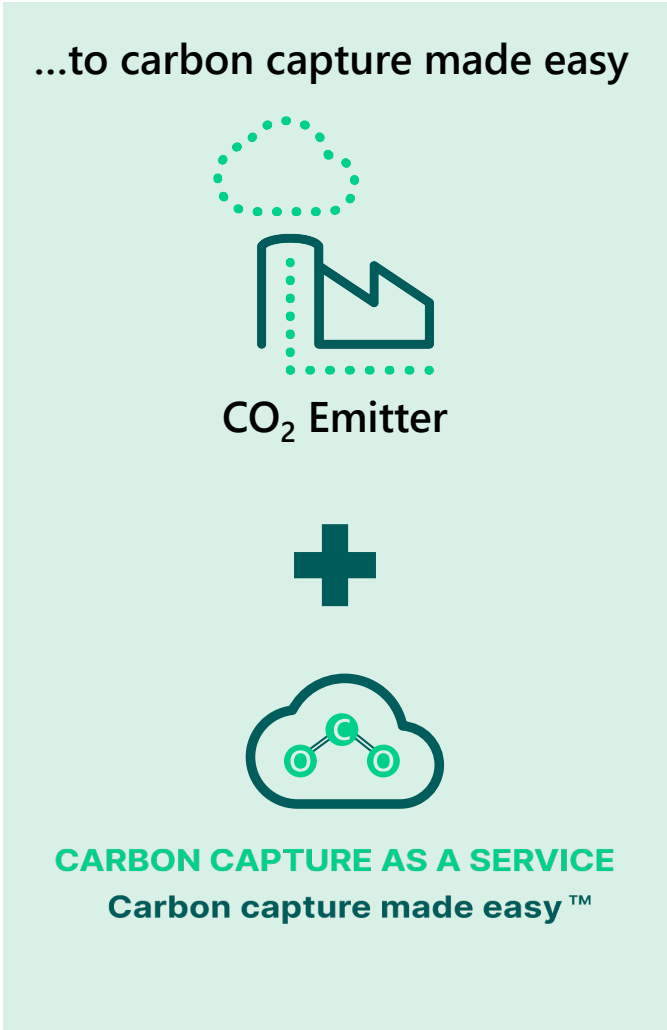
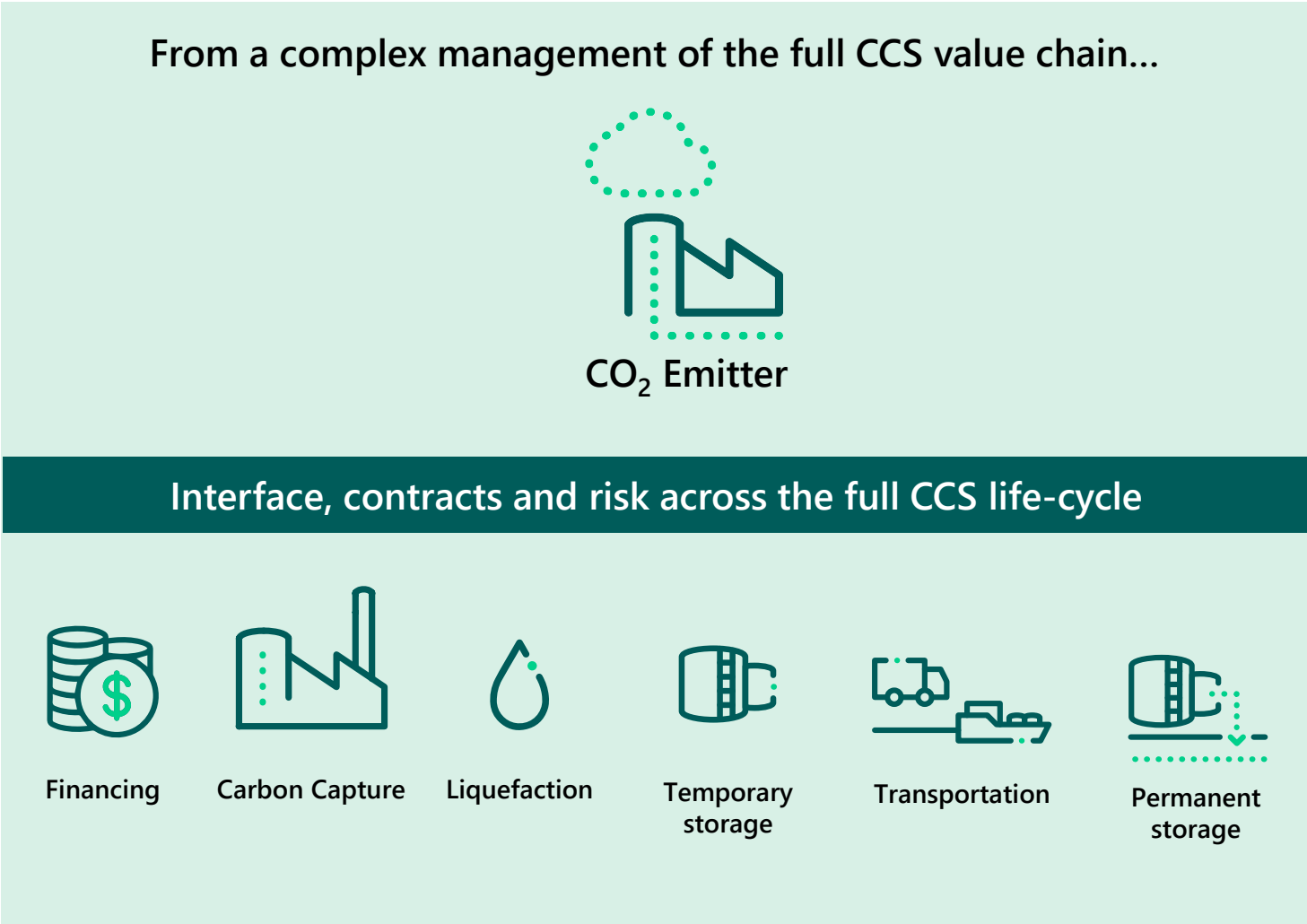
License and key equipment



Carbon Capture as a Service



Carbon capture made easy



Untapped market potential for standardized solutions

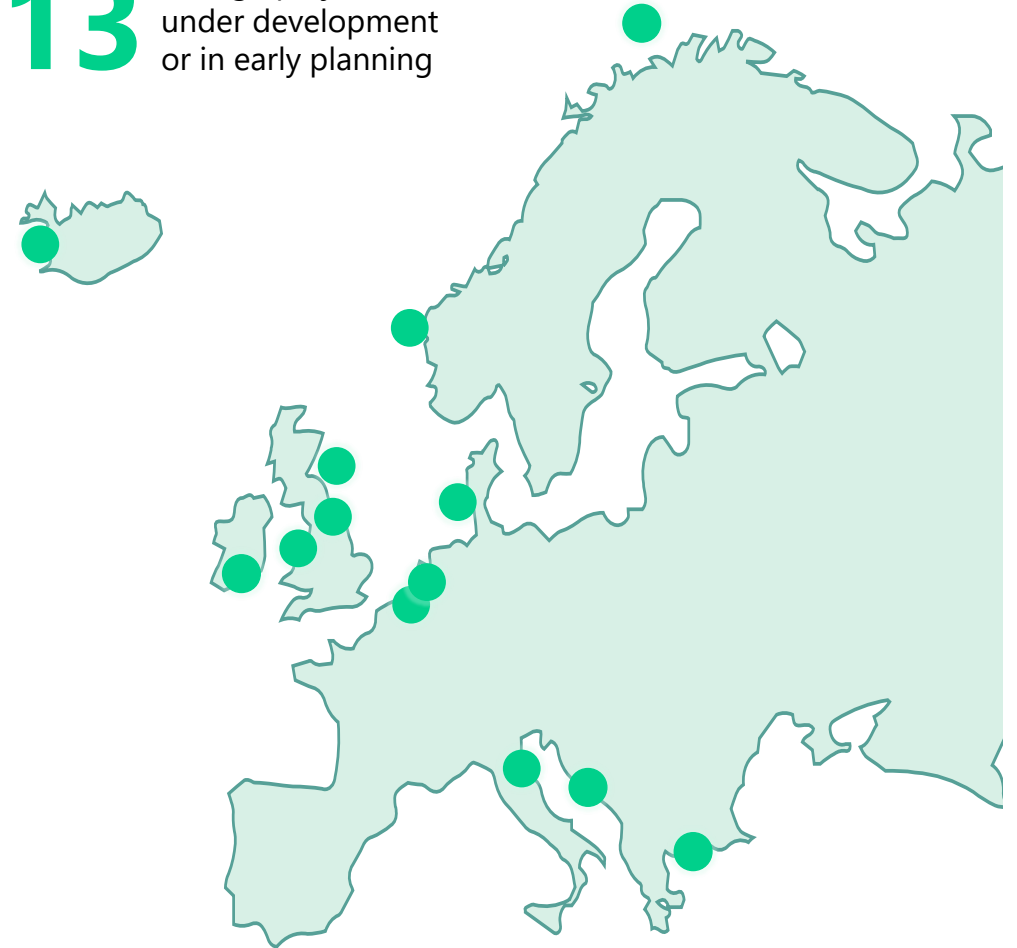
Market has focused on **large emitters** so far

More than 700 relevant emitters across Europe

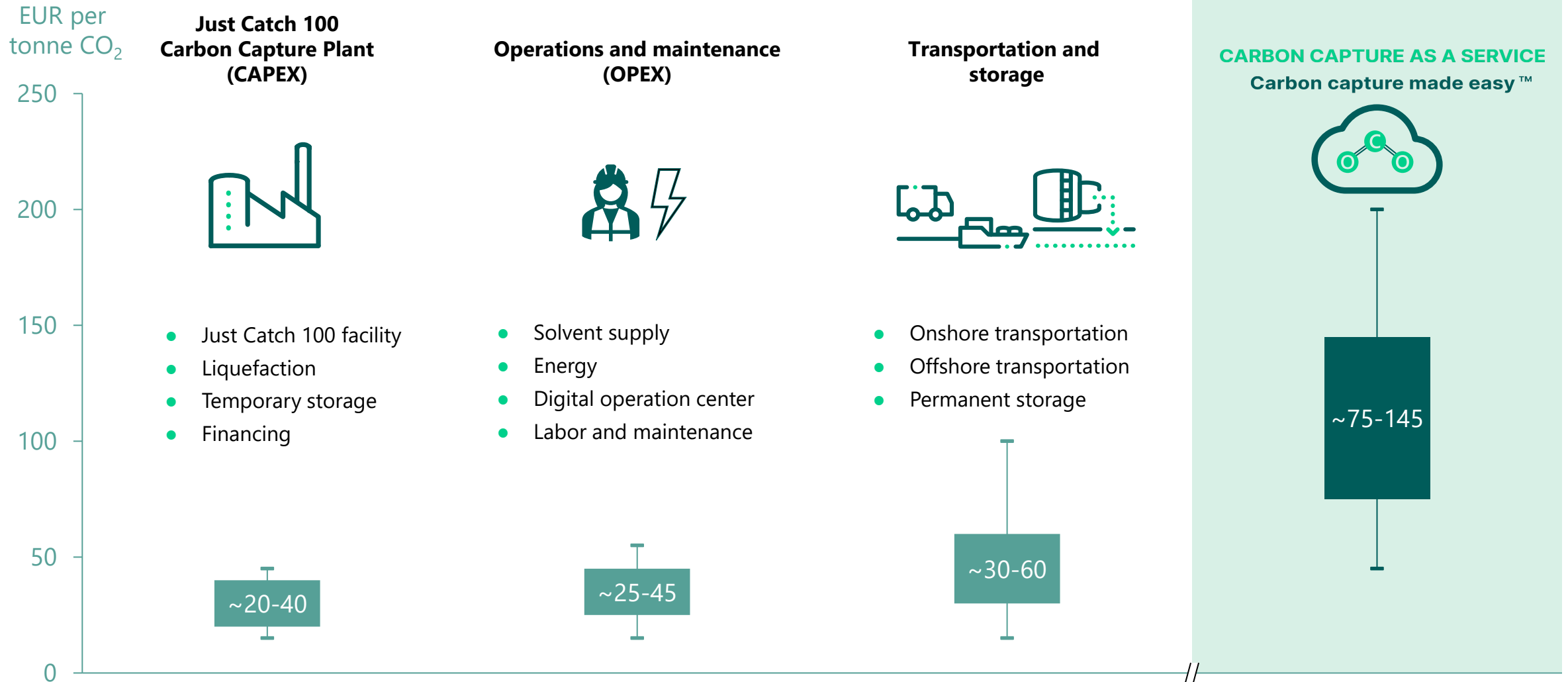
Potential to **unlock synergies** across CO₂ hubs and portfolios

Flexibility
Start and grow

13 storage projects under development or in early planning



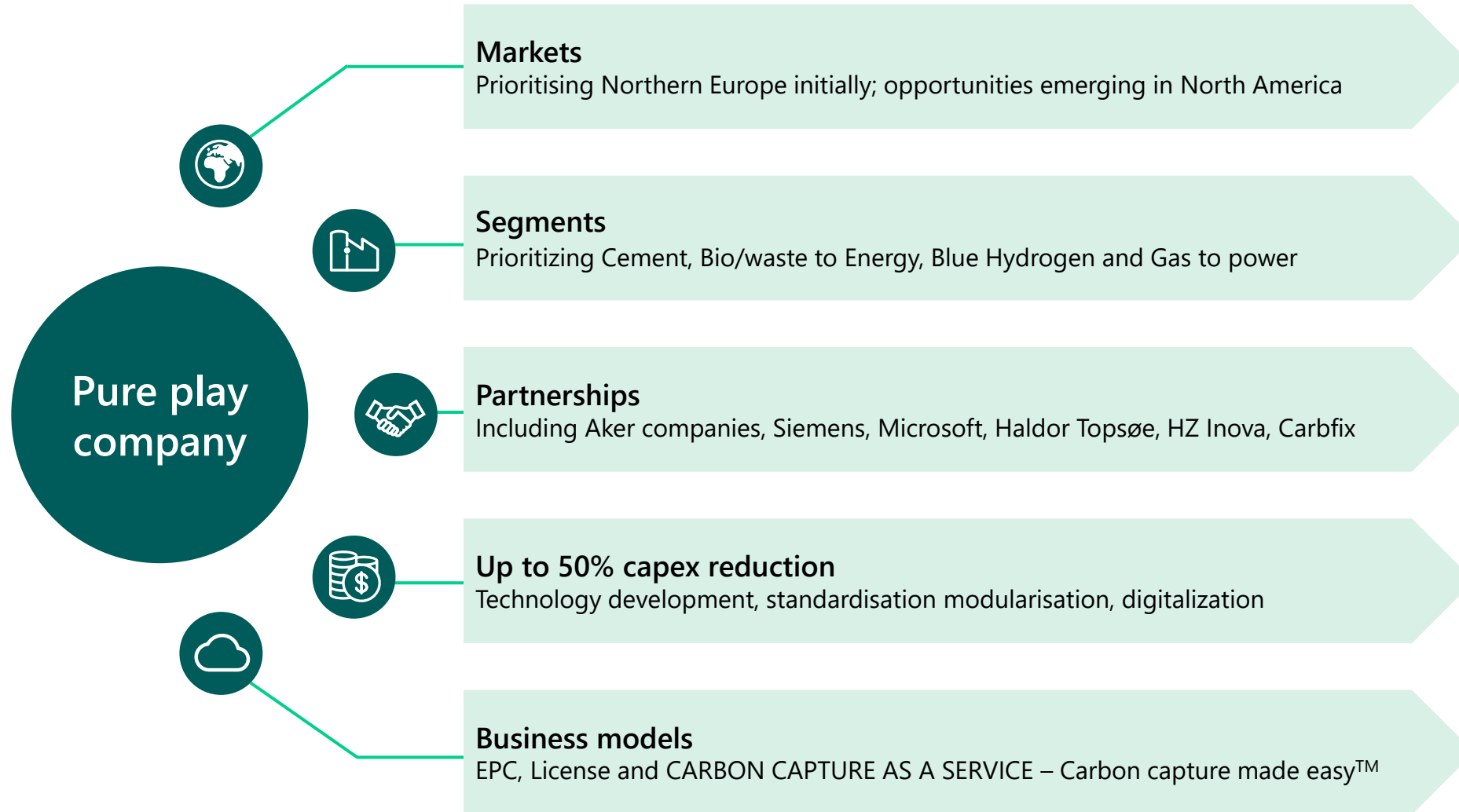
Indicative Levelized Cost of Carbon Capture as a Service¹





Way forward

Way forward



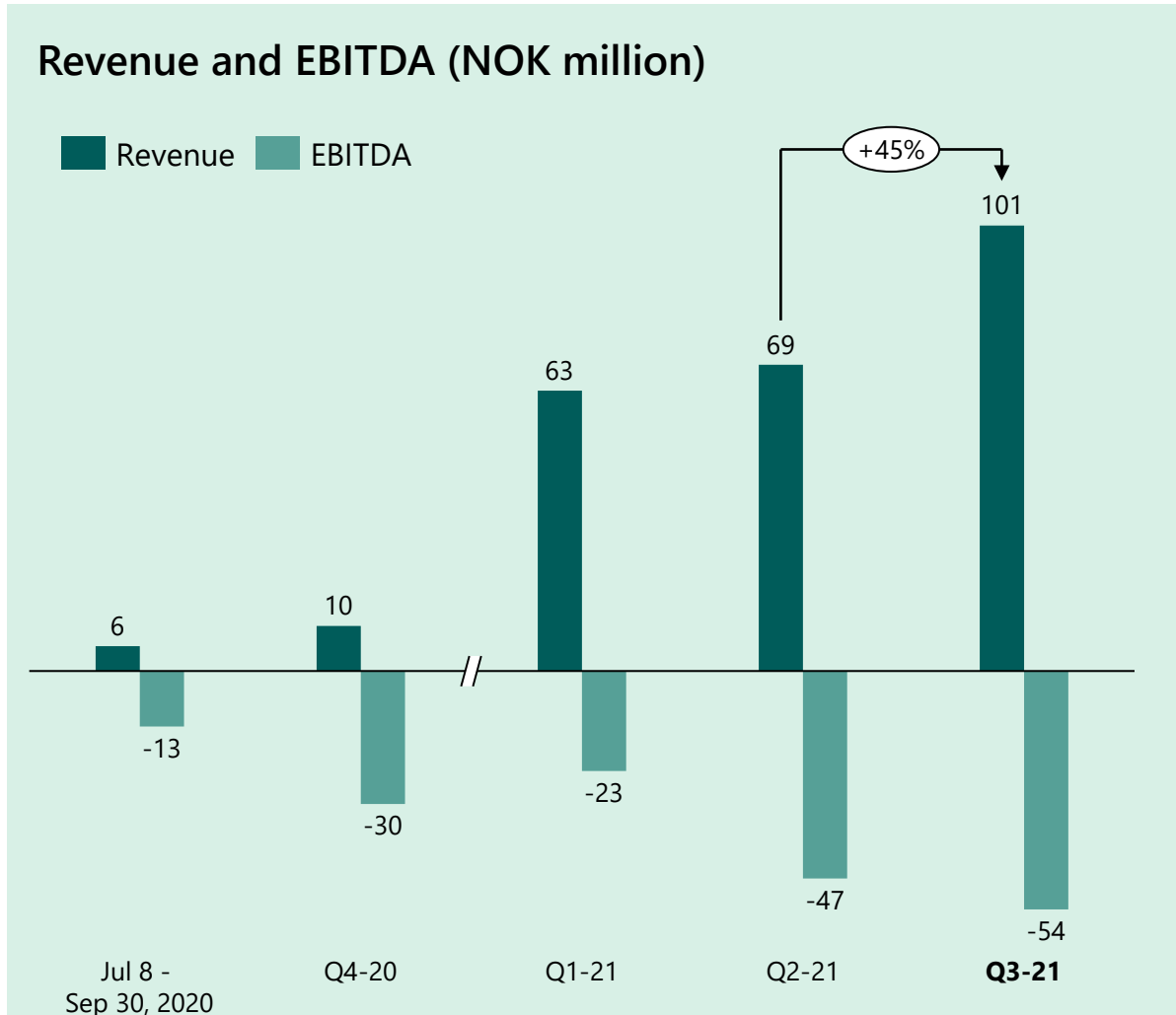
10 in 25

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



Financials

Q3 2021 | Income Statement



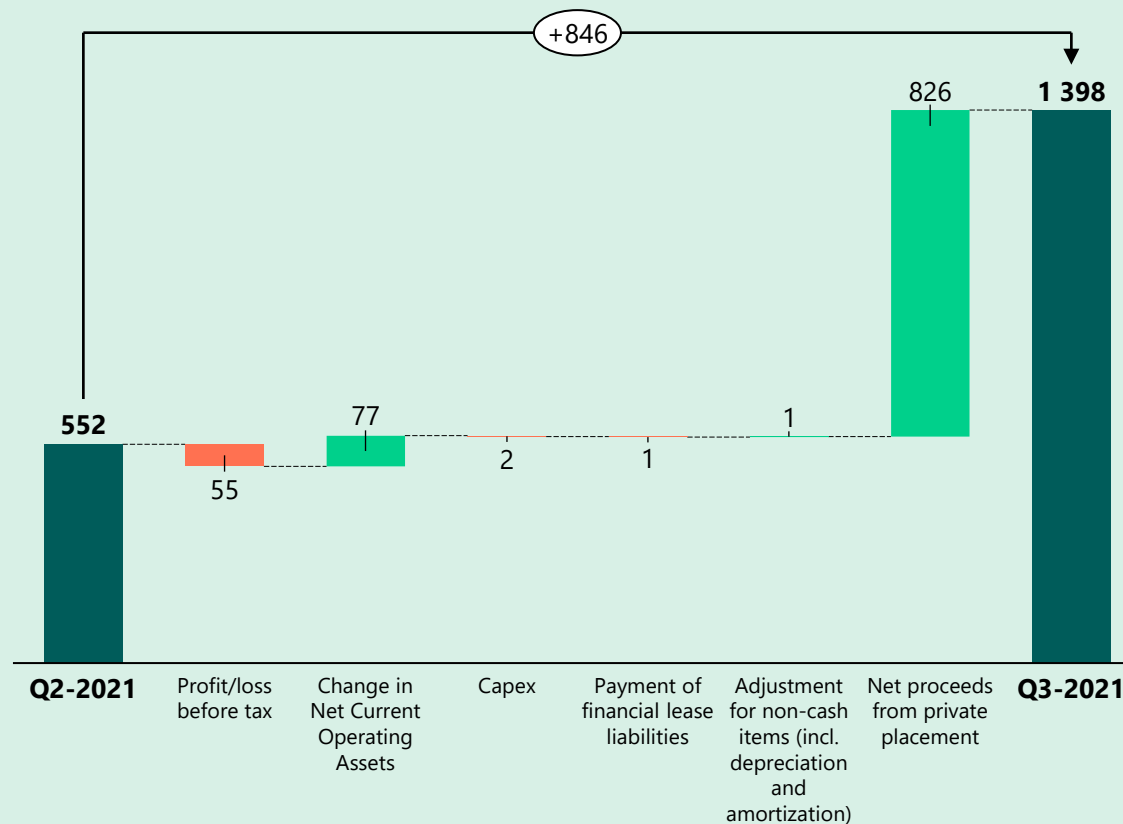
- Second quarter **Revenue** ended at NOK 101 million which was an increase of NOK 32 million compared to the previous quarter
 - Mainly driven by the Norcem Brevik CCS EPC project which is progressing as planned
 - In addition, pre-FEED and feasibility studies contributed in the period
- Second quarter **EBITDA** ended at negative NOK 54 million which was a decrease of NOK 7 million compared to the previous quarter
 - Mainly driven by increased activity related to tenders, technology development, digitalization, and international growth
 - Limited contribution from projects due to no margin recognized on the Brevik CCS EPC project, profit is normally recognized when a project reaches a high level of certainty in cost estimates

Q3 2021 | Cash flow

- Cash outflow related to loss before tax in the third quarter of 2021 ended at NOK 55 million
- Net Current Operating Assets ended the second quarter at negative NOK 261 million which represented a cash inflow of NOK 77 million in the quarter
 - Mainly driven by received payments for achieved project milestones on the Norcem Brevik CCS EPC project, which is expected to cover payables in the coming 6-12 months
- CAPEX, payment of financial lease liabilities and adjustment for other non-cash items represented an outflow of NOK 2 million in the quarter
- In August, a capital raise of NOK 840 million was completed through a private placement process where 38,181,818 new shares were issued, priced at NOK 22 per share. Net proceeds from the private placement ended at NOK 826 million.
- Excluding the private placement, the third quarter generated a NOK 20 million cash inflow
- Including proceeds from the private placement, cash and cash equivalents ended the third quarter at NOK 1,398 million

Cash flow development (NOK million)

■ Cash outflow ■ Cash inflow ■ Cash and cash equivalents





Q&A

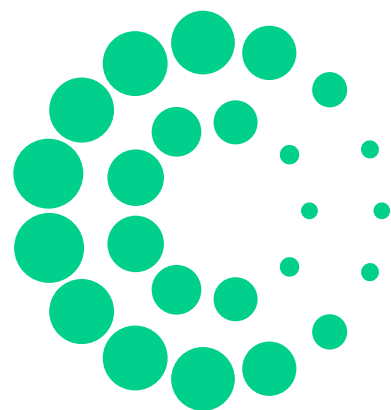
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Appendices

P&L



Balance sheet



Cash flow

Condensed consolidated income statement and other comprehensive income

Consolidated statement for the period Jan 1 to Sep 30

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	YTD 2021
Revenues	63,452	69,318	100,848	233,618
Materials, goods and services	(62,811)	(67,978)	(83,508)	(214,297)
Salary and other personnel costs	(8,007)	(14,446)	(35,313)	(57,766)
Other operating expenses	(15,298)	(34,085)	(36,454)	(85,837)
EBITDA	(22,664)	(47,192)	(54,427)	(124,282)
Depreciation	(1,334)	(1,334)	(1,334)	(4,003)
Operating profit (loss)	(23,998)	(48,526)	(55,761)	(128,285)
Financial income	327	234	633	1,194
Financial expenses	(174)	(163)	(168)	(505)
Foreign exchange gain (loss)	19	(102)	49	(34)
Net financial items	172	(32)	514	655
Profit (loss) before tax	(23,826)	(48,558)	(55,247)	(127,631)
Income tax benefit (expense)	-	-	-	-
Net profit (loss)	(23,826)	(48,558)	(55,247)	(127,631)



Condensed consolidated balance sheet

Assets

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021
Non-current assets			
Intangible assets	3,884	3,884	4,210
Right-of-use assets	11,928	10,673	9,417
Fixed assets	3,597	3,606	5,345
Total non-current assets	19,410	18,162	18,973
Current assets			
Trade and other receivables	202,643	239,468	146,072
Cash and cash equivalents	483,666	552,452	1,398,182
Total current assets	686,309	791,920	1,544,255
Total assets	705,719	810,082	1,563,227

Equity and Liabilities

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021
Equity			
Share capital	566,060	566,060	604,242
Other equity	(138,026)	(186,584)	537,493
Total equity	428,034	379,476	1,141,736
Non-current liabilities			
Pension liabilities	2,849	2,981	2,981
Non-current lease liabilities	7,896	6,508	5,109
Total non-current liabilities	10,745	9,489	8,090
Current liabilities			
Trade and other payables	261,547	415,239	407,202
Current lease liabilities	5,393	5,877	6,200
Total current liabilities	266,940	421,116	413,402
Total equity and liabilities	705,719	810,082	1,563,227

Condensed consolidated statement of cash flow



Cash flow

<i>Amounts in NOK thousand</i>	Q1 2021	Q2 2021	Q3 2021	YTD 2021
Profit before tax	(23,826)	(48,558)	(55,247)	(127,631)
<i>Adjustment for:</i>				
Amortisation and depreciation	1,334	1,334	1,334	4,003
Changes in net current operating assets	50,508	117,000	77,264	244,772
Accrued interest and foreign exchange	174	162	151	487
Cash flow from operating activities	28,190	69,939	23,502	121,631
Acquisition of property, plant and equipment	(1,066)	(87)	(1,819)	(2,972)
Payments for capitalized development	(92)	-	(326)	(418)
Cash flow from investing activities	(1,158)	(87)	(2,145)	(3,390)
Payment of finance lease liabilities	(1,066)	(1,066)	(1,227)	(3,358)
Share issue, net of transaction costs	-	-	825,600	825,600
Cash flow from financing activities	(1,066)	(1,066)	824,373	822,242
Net cash flow	25,966	68,787	845,730	940,483
Cash and cash equivalent at the beginning of the period	457,699	483,665	552,452	457,699
Cash and cash equivalent at the end of the period	483,665	552,452	1,398,182	1,398,182