List of Signatures

Interimsrapport BCS.pdf

Name	Method	Signed at
Fatnes, Terje Christian	BANKID_MOBILE	2022-08-23 17:38 GMT+02
Løkke, Jon Andre	BANKID_MOBILE	2022-08-23 17:20 GMT+02
Teigland, Wenche	BANKID_MOBILE	2022-08-23 17:06 GMT+02
Skansen, Dag Vikar	BANKID_MOBILE	2022-08-23 17:05 GMT+02
Holst, Bodil	BANKID_MOBILE	2022-08-23 16:58 GMT+02

BERGEN CARBON SOLUTIONS

2022 FIRST HALF YEAR

24.08.2022

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First Half Year 2022

Key Figures

Key Figures

Amounts in NOK thousands

Key figures	First half year 2022	First half year 2021	Full year 2021
Total revenue and other income	229	147	874
Total operating expenses	27 898	11 948	30 638
Operating profit (loss)	(27 669)	(11 801)	(29 764)
Net profit (loss) for the period	(28 171)	(11 820)	(29 905)
Net change in cash and cash equivalents	212 456	59 970	66 798
Cash and cash equivalents, end of period	319 751	100 467	107 295
Outstanding shares, end of period	41 970 140	32 362 511	37 340 511
Cash and cash equivalents/total asset	89 %	82 %	74 %
Equity ratio	92 %	89 %	82 %
Equity	332 823	108 767	118 835
Total assets	360 837	121 919	144 749

Directors' Responsibility statement

Directors' responsibility statement

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 30 June 2022 have been prepared in accordance with current applicable accounting standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity. We also confirm that the Board of Directors' Report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group

23-08-2022

Jon Andre Løkke Chairman of the board	**Bodil Holst** Board member	**Terje Christian Fatnes** Board member
Wenche Teigland Board member		**Dag Vikar Skansen** Board member

Condensed consolidated interim financial statements

Condensed Consolidated Statement of Profit or Loss (unaudited)

Amounts in NOK thousands	Note	Second Quarter		Year to date		Year
		Q2 2022	Q2 2021	1st half 2022	1st half 2021	2021
Revenue		11	52	229	147	206
Other operating income		0	0	0	0	668
Total operating income		**11**	**52**	**229**	**147**	**874**
Materials consumables and freight		2 114	223	3 015	305	1 721
Personnel expenses		7 976	4 396	14 989	7 296	17 023
Change in internally developed non current assets		(80)	(463)	(201)	(1 388)	(1 836)
Other operating expenses		4 228	3 825	8 231	5 398	12 032
Depreciation, amortization and impairment	3	950	203	1 863	337	1 698
Operating profit (loss)		**(15 177)**	**(8 132)**	**(27 669)**	**(11 801)**	**(29 764)**
Net financial items		(254)	(1)	(501)	(19)	(141)
Profit/(loss) before tax		**(15 431)**	**(8 133)**	**(28 171)**	**(11 820)**	**(29 905)**
Income tax expense						
Net Profit/(loss) for the period		**(15 431)**	**(8 133)**	**(28 171)**	**(11 820)**	**(29 905)**
Basic earnings per share (NOK)	5	(0.37)	(0.25)	(0.67)	(0.37)	(0.80)
Diluted earnings per share (NOK)	5					

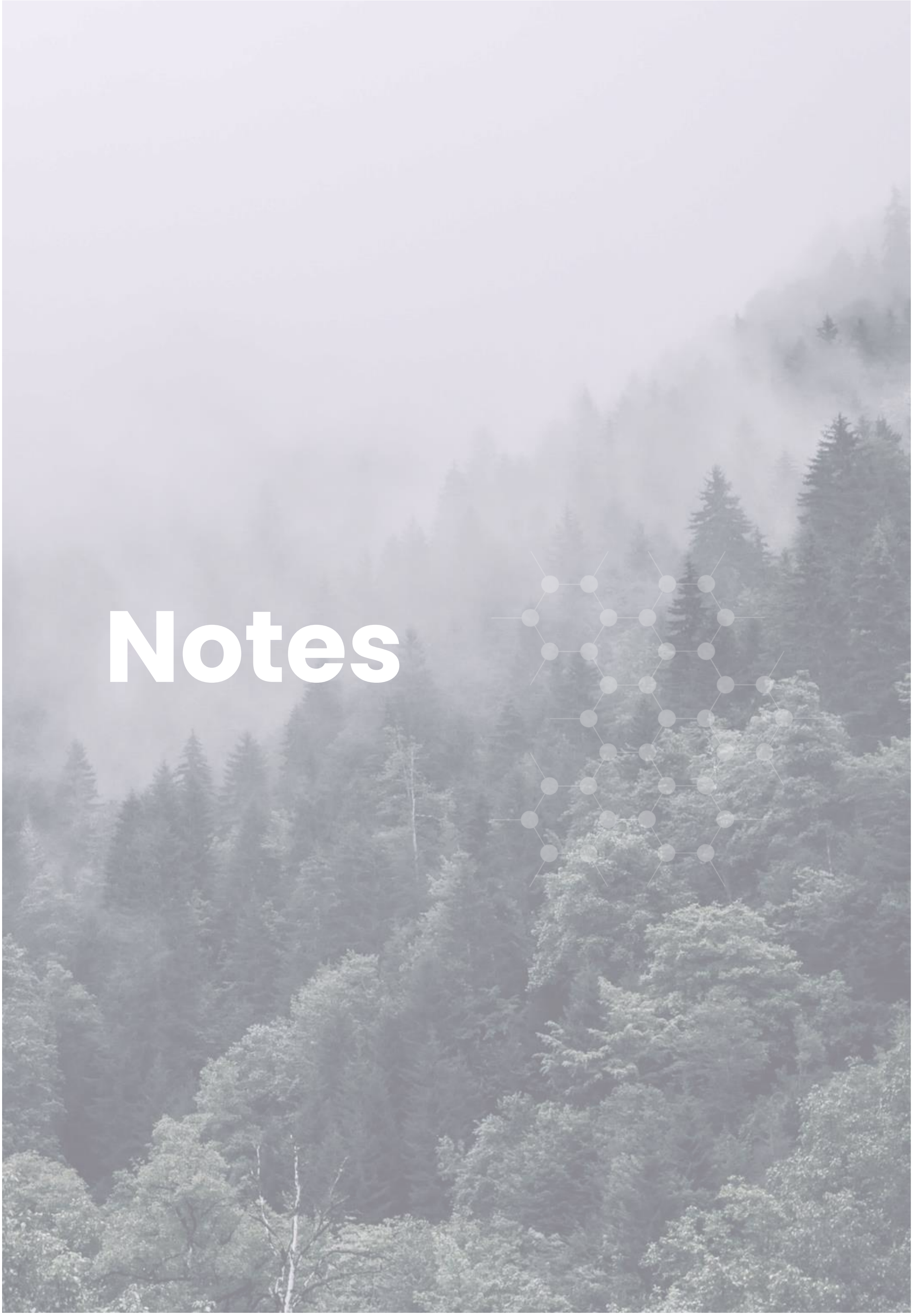
Condensed Consolidated Statement of Financial position (unaudited)

Amounts in NOK thousands	Note	30 June 2022	30 June 2021	31 December 2021
Assets				
Research and development	3	13 776	7 098	10 555
Licenses and patents	3	319	409	356
Right of use asset		19 683	9 235	20 246
Total intangible assets		**33 779**	**16 742**	**31 157**
Machinery, tools, office machinery and equipment		3 515	3 401	3 300
Total tangible assets		**3 515**	**3 401**	**3 300**
Inventory		372	74	372
Receivables		6	0	52
Other current receivables		3 414	1 235	2 574
Cash and cash equivalents		319 751	100 467	107 295
Total current assets		**323 543**	**101 776**	**110 293**
Total assets		**360 837**	**121 919**	**144 749**
Equity and liabilities				
Share capital	2	126	97	112
Additional paid in equity and other equity	2	332 697	108 670	118 723
Total equity		**332 823**	**108 767**	**118 835**
Lease liability		17 521	7 973	17 262
Total non-current liabilities		**17 521**	**7 973**	**17 262**
Accounts payable		1 748	1 979	2 422
Other current liabilities		6 297	1 938	3 247
Lease liability short term		2 448	1 262	2 984
Total current liabilities		**10 493**	**5 179**	**8 653**
Total liabilities		**28 014**	**13 152**	**25 915**
Total equity and liabilities		**360 837**	**121 919**	**144 749**

Condensed Consolidated Statement of Cash flow (unaudited)

Amounts in NOK thousands	Note	Year to date		Year
		1st half 2022	1st half 2021	2021
Cash flow from operations				
Profit before income taxes		(28 171)	(11 820)	(29 905)
Taxes paid		0	0	0
Depreciation and amortization	3	1 863	337	1 698
Loss/gain on the sale of fixed asets				7
Interest expense		501	19	141
Net changes in working capital		(6)	(351)	(1 011)
Cash generated from operations		**(25 812)**	**(11 815)**	**(29 070)**
Cash flow from investments				
Purchase of fixed assets and intangible assets		(638)	(4 427)	(8 893)
Sale of fixed assets		0	155	124
Payments own development intangible assets		(3 222)	(1 388)	(1 727)
Investment grants		1	1 868	2 615
Net cash flow from investments		**(3 860)**	**(3 792)**	**(7 881)**
Cash flow from financing				
Interest paid		(17)	(19)	0
Repayment of long term loans		0	(1 500)	(1 500)
Capital increase		242 145	77 096	105 249
Net cash flow from financing		**242 128**	**75 577**	**103 749**
Net change in cash and cash equivalents		212 456	59 970	66 798
Cash and cash equivalents at the beginning of the period		107 295	40 497	40 497
Cash and cash equivalents at the end of the period		**319 751**	**100 467**	**107 295**

Notes



Note 1 –
Summary of significant accounting policies

General information

Bergen Carbon Solutions AS is a Norwegian company headquartered in Bergen. Since 2016, the company has worked to develop technology related to producing carbon nanofibers based on CO_2 as an input factor. Carbon nanofiber is a material that is in an exciting growth phase in terms of produced volume and application globally.

These interim financial statements have not been audited. The interim financial statement has been consolidated and as of 30.06.22 the Bergen Carbon Solutions Group consist of:
- Bergen Carbon Solutions AS (parent company)
- Bergen Carbon Solutions Productions AS (100 % owned subsidiary)
- Bergen Carbon Solutions Opportunities AS (100 % owned subsidiary)
- Bergen Carbon Solutions Properties AS (100 % owned subsidiary)
- Carbon Development Solutions AS (100 % owned subsidiary)

There are no material activity in either of the subsidiaries as of 30.06.22. The Group structure is established for future initiatives.

Basis of preparation and accounting principles

The entity applies measurement and recognition principles based on Simplified IFRS, in accordance with Norwegian law. The accounting policies adopted from 1th of January 2022 have been changed from the previously accounting principles used in 2021 (general accepted accounting principles in Norway for smaller entities - NRS8). The effect of changes in the accounting policy that are considered to be material have been adjusted in the comparison figures from 2021.

The cash flow is prepared using the indirect method. Earnings per share is prepared in accordance with IAS 33.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss. Due to the fact that the company is in a start up phase and not yet been profit making, deferred tax assets are not recognized.

These interim financial statements do not provide the same scope of information as the annual financial statement and should therefore be read in conjunction with the annual financial statements for the year ended 31 December 2021.

Going concern

The Company has adopted the going concern basis in preparing its financial statements. When assessing this assumption, management has assessed all available information about the future. This comprises information about net cash flows from existing customer contracts and other service contracts, debt service and obligations. After making such assessments, management has a reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future.

Use of estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2021.

Research and Development (R&D)

Direct development costs are capitalized to the extent that a future economic benefit related to the development of an identifiable intangible asset can be identified and the expenses can be measured reliably. Otherwise, such expenses are expensed on an ongoing basis. Capitalized development is depreciated on a straight-line basis over its economic life. Own development of intangible assets is shown on a separate line in the income statement. Indirect expenses are treated as period costs, in accordance with the simplification rules for small enterprises.Received grants associated with the project is entered as a reduction in the investment for the costs that is capitalized.

Note 2 - equity

Amounts in NOK thousands	Share capital	Share premium	Non registered capital increase	Other equity	Total Equity
Balance at 1 January 2021	55	5 518	37 918	0	43 491
Profit/(loss) for the period		(29 905)			(29 905)
Capital increase	57	143 110	(37 918)		105 249
Balance at 31 December 2021	**112**	**118 723**	**0**	**0**	**118 835**
Balance at 1 January 2022	112	118 723	0	0	118 835
Profit/(loss) for the period		(28 171)			(28 171)
Capital increase*	14	242 145			242 159
Balance at 30 June 2022	**126**	**332 697**	**0**	**0**	**332 823**

*Expenses directly related to the share issue is booked directly against Share premium.

Note 3 – Intangible assets

Throughout 2019-2022, the company has worked on a development project related to the development of an upscale production unit, which will produce carbon nanofiber based on CO2 as an input factor. The majority of the expenses relating to the project have been capitalized. The project is supported by ENOVA.

Accounting for government grants

	30.06.2022	30.06.2021	2021
Reduction of amount recognized in balance sheet	(1)	(2 135)	(2 615)
Reduction of costs	0	0	(656)

Amounts in NOK thousands	Research and development	Licenes and patens
Cost 1 January 2022	10 555	437
Additions external purchases	3 222	0
Additions own development	201	0
Government grant Enova	(1)	0
Cost 30 June 2022	**13 977**	**437**
Accumulated depreciation 1 January 2022	0	80
Depreciation for the period	0	37
Net book value 30 June 2022	**13 977**	**319**
Expected useful life	Under development	5-15 years

Note 4 – Options

In 2022, the company has entered into stock-option agreements with employees. Stock-option agreements was allocated to employees and corporate management finished with trial period in January 2022 and March 2022. Next allocation of stock option agreements is planned 2023.

Note 5 – EPS

Amounts in NOK thousands	30.06.2022	30.06.2021	31.12.2021
Loss attributable to the equity owners	(28 171)	(11 820)	(29 905)
Loss for calculation of diluted earnings per share			
Weighted average number of shares outstanding	41 970 140	32 362 511	37 340 511
Dilutive options			
Average number of shares and options used in calculation for diluted EPS			
Basic earnings per share (NOK)	(0.671)	(0.365)	(0.801)
Diluted earnings per share (NOK)			

Basic earnings per share calculations are based on the weighted average number of common shares outstanding during the period.

Diluted earnings per share calculations are performed using the weighted average number of common shares and dilutive common shares equivalents outstanding during each period. Options are dilutive when they result in the issue of ordinary shares for less than the average market price of ordinary shares during the period. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price in the period is treated as an issue of ordinary shares for no consideration.

Note 6 – Capitalized lease-agreements

The company's assets under capitalized leases include buildings and other real estate. The rental period is ending in 2029 + option for 5 years.

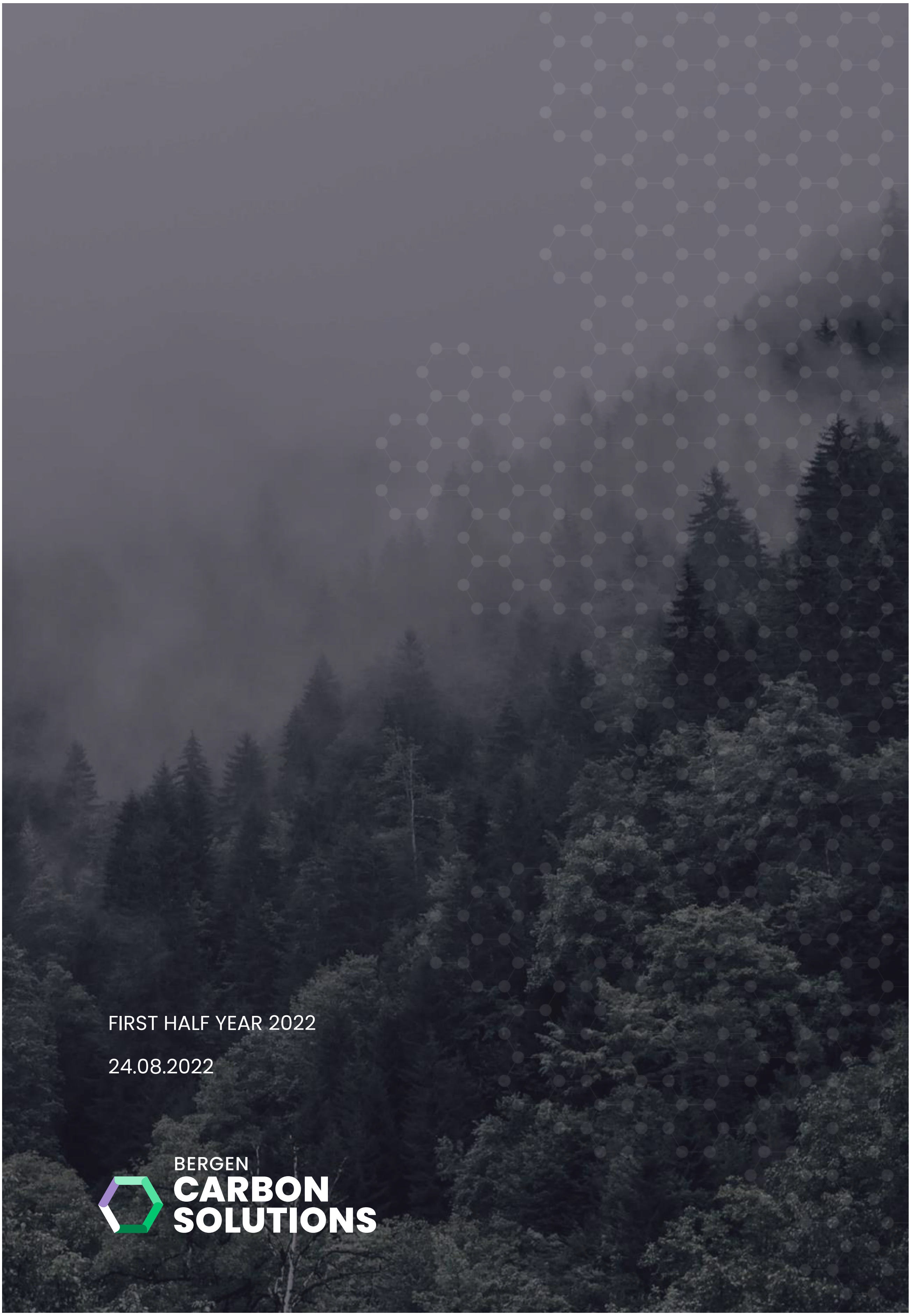
The lease agreements have an option for extension, which is taken into account when determining the lease period if it is assumed reasonably certain that this will be used.

Assets - Capitalized lease-agreements:

Amounts in NOK thousands	Property-lease	Total
Acquisition cost 01.01.22	20 829	20 829
Additions capitalized lease-agreements		
Departure	-	-
Acquisition cost 30.06.22	**20 829**	**20 829**
Accumulated depreciation 1.1.2022	583	583
Depreciations	562	562
Impairment losses	-	-
Departure	-	-
Accumulated depreciations 30.06.2022	**1 146**	**1 146**
Booked value 30.06.22	**19 683**	**19 683**
Duration of the lease	8 years	
Interest used	5%	

Lease obligations under capitalized leases
Overview of remaining estrimated lease payments for capitalized leases:

Amounts in NOK thousands	30.06.2022
Within 1 year	3 204
1 to 5 years	13 271
After 5 years	7 040
Remaining estimated rent payments	**23 515**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