



Q2 2023

Odd Strømsnes, CEO

30 August 2023

Agenda

1. Q2'23 highlights
2. BCS in brief
3. Technology & business development
4. Material characterisation
5. Summary and outlook
6. Q&A



Q2 2023 highlights

**Improving processes,
reducing production
cost**



Key events in Q2 2023

Reducing unit cost:

- Positive results from new process of electrolyte filtration and recycling. New unit now commissioned and in operation

Product verification:

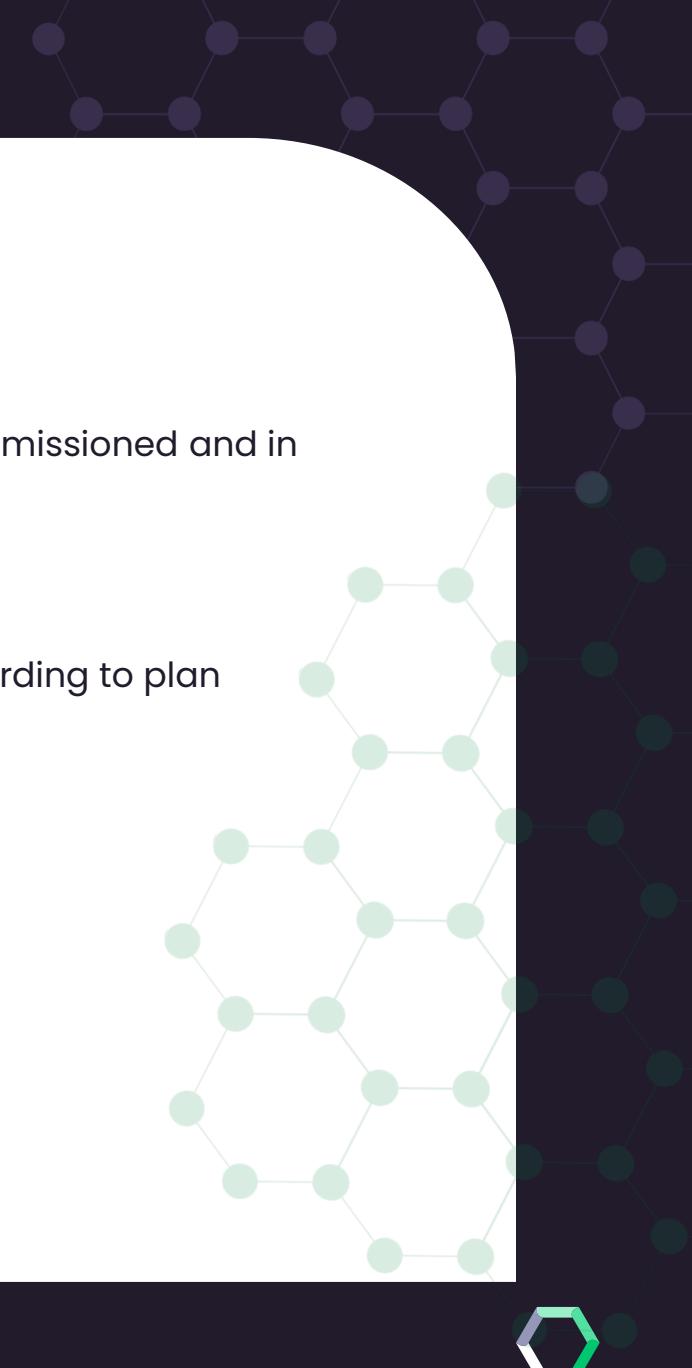
- Significant progress on improving product specs in the quarter
- Process of verifying our technology and products towards customers is progressing according to plan
- New lab reactor installed, will further accelerate product optimization going forward

Positioning:

- Several visits and meetings with global companies
- Expanding the BCS team with new highly skilled people to support the expected growth

Financial results:

- Burn rate as guided with NOK 15.1 million in adjusted operating loss for the quarter
- Fully funded to deliver on key priorities, cash balance of NOK 260 million



Financial highlights Q2 2023

NOK thousand	Q2 2023	Q2 2022	H1 2023	H1 2022
Total revenue and other income	176	11	181	229
Total operating expenses	18,333	15,188	36,902	27,898
Operating profit (loss)	(18,157)	(15,177)	(36,721)	(27,669)
Net profit (loss) for the period before tax	(18,423)	(15,431)	(37,237)	(28,171)
Net change in cash and cash equivalents	(17,259)	(15,751)	(33,471)	212,456
Cash and cash equivalents, end of period	259,518	319,751	259,518	319,751
Equity	271,496	332,823	271,496	332,823
Total assets	301,018	360,837	301,018	360,837



BCS in brief

The green supermaterial of the future



Transforming Carbon Emissions into Innovation



- **Founded:** 2016
- **IPO:** 2021
- **Fully funded** strategy with strong cash balance
- **Pure play CCU** (carbon capture and utilization) material company
- **Current focus:** Enabling clean carbon for green manufacturing of batteries



Pioneering Sustainable Transformation:

- BCS transforms harmful greenhouse gases into clean, valuable carbon products.
- We're pioneers in carbon capture and utilisation (CCU) technology, leading the way in driving a sustainable future.



Transforming Harmful to Valuable:

- Our process creates various carbon structures like graphite, hard carbon, and carbon nanotubes, all with a CO₂ positive footprint
- Enabling production of high-value carbon products inhouse, close to the end-user



Meeting Tomorrow's Demands Today:

- Addressing the surge in battery anode material demand (predicted 300% increase by 2025¹).
- BCS is leading the shift from fossil to green carbon production, reducing emissions and contributing to a cleaner, greener industry landscape at home



¹) Rystad Energy, Synthetic graphite holds the key to meeting battery demand surge, despite ESG concerns

Building a Strong Team for Future Growth

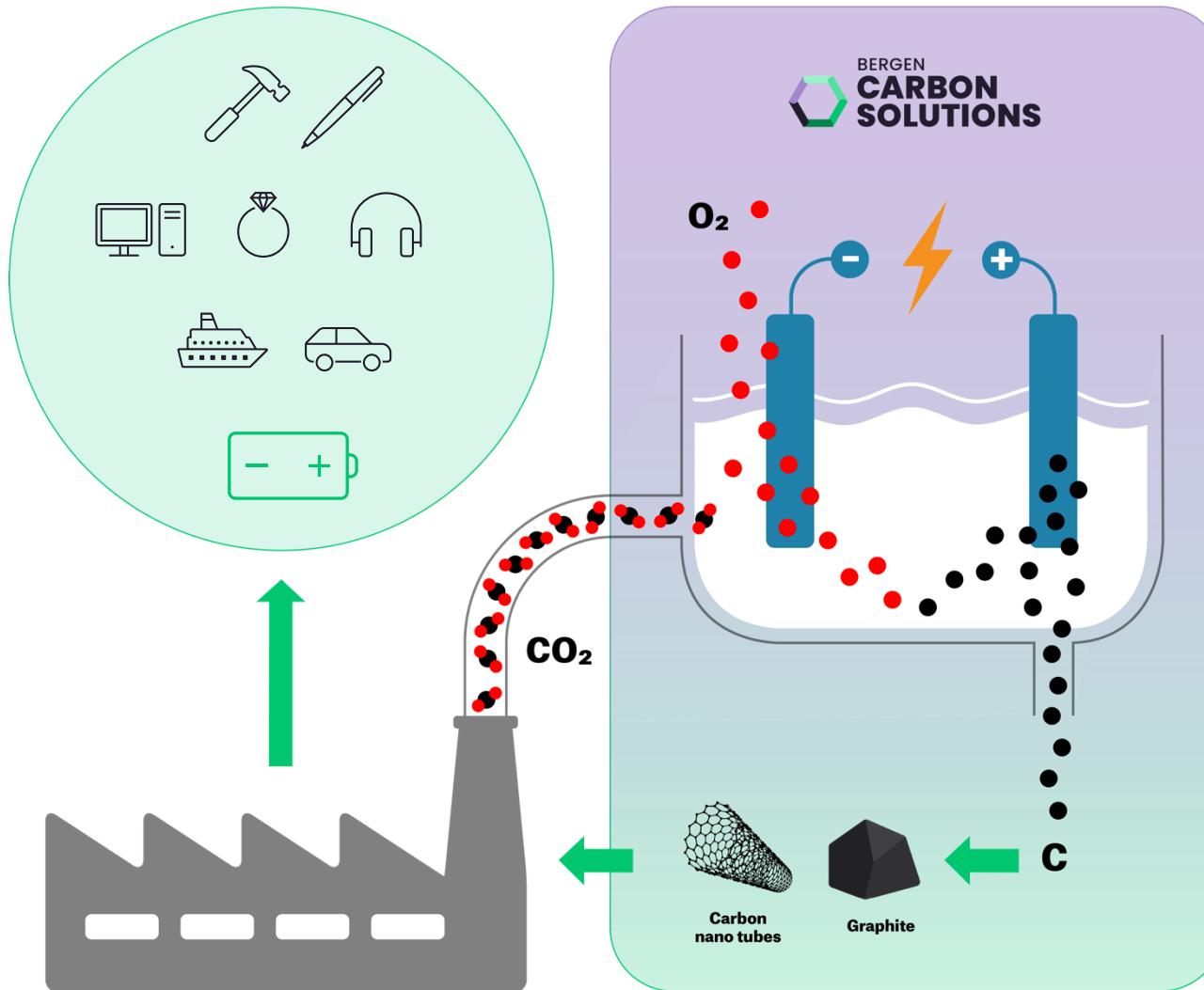
- Our **committed team** is pioneering carbon utilization solutions, through advanced technology and creative thinking
- **Ongoing recruitment** of skilled technologists to support our expected growth



Technology & business development

**The cleanest way
to source carbon**





Our technology adds value both upstream and downstream

With our technology, we can both **capture CO₂** directly from flue gas or run on captured CO₂

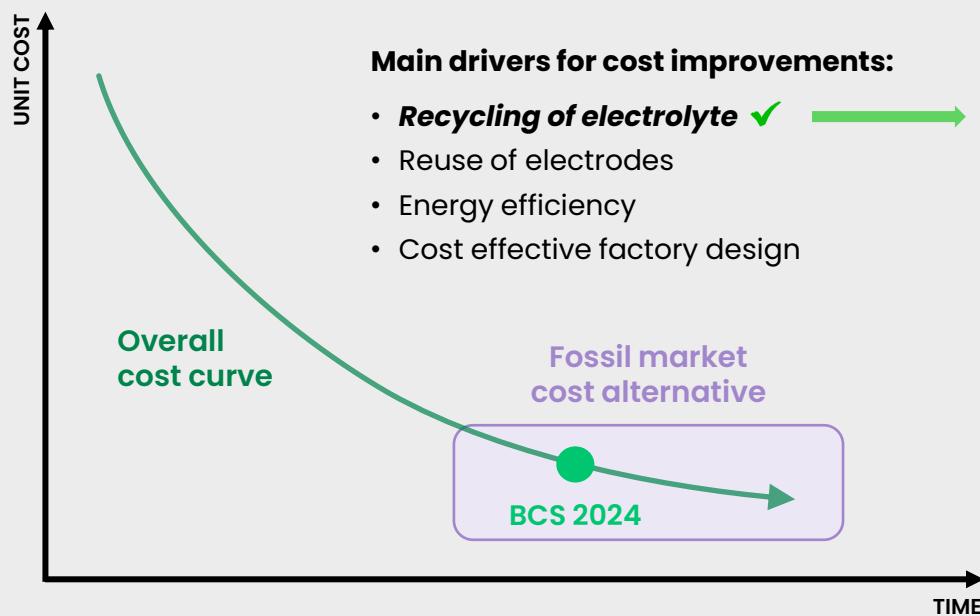
Our innovative process turn CO₂ into carbon products **through electrolysis**.

From CO₂ we make **high quality carbon products**, tailormade for the customer, ranging from small nano-particles to graphitic macro-structured carbons.



Where we're going

Through our cost reduction initiatives, we expect the overall cost of converting CO₂ to solid carbon to be significantly reduced



Significant cost improvement in Q2:

- Positive results during Q2 from new process of electrolyte filtration and recycling
- Factory acceptance test (FAT) of new unit concluded
- New unit now commissioned and in operation

Picture: New electrolyte filtration unit



Focus on process improvement

Enhancing Quality and Efficiency

- Achieved significant advancements on product quality in Q2
- Implementing process enhancements encompassing repeatability, quality improvement, and cost optimization
- New lab reactor installed and in operation will accelerate product development
- The goal is production of unique, customer-tailored products while maintaining consistent high quality over time



Clean carbon

**The green
supermaterial
of the future**



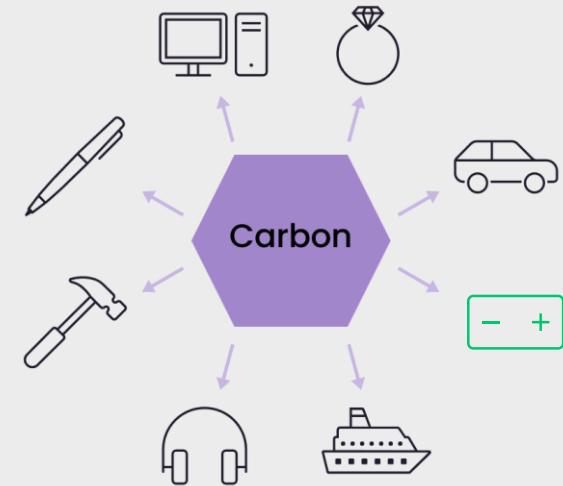
Carbon



- Conductive, strong, light-weight and durable
- Carbon is everywhere
- CO₂ as a Green House Gas (GHG) plays key role in the energy transition and decarbonization

Carbon in different forms are used as material in a range of different products and industries.

Carbon can be made into materials like graphite, carbon fiber or carbon nano tubes (CNT) – all with different characteristics and use cases



Global graphite demand from batteries expected to grow 4x from 2022 to 2030 (from 0.6 mtpa to 2.2 mtpa)*

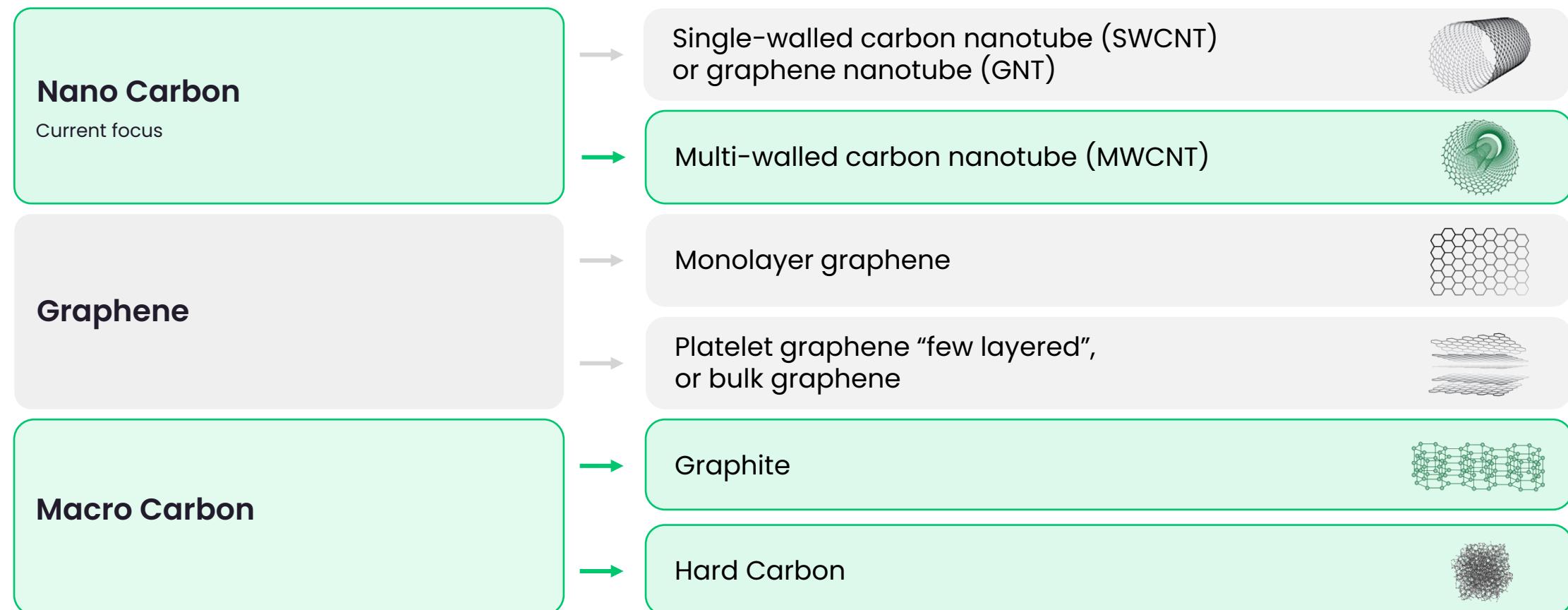
Global CNT market is estimated at 3.3 bn. USD in 2021, expected to grow at CAGR of 15% for the next few years*

*) McKinsey Battery Insights



Carbon in various forms possesses distinct characteristics

We focus on two main product groups

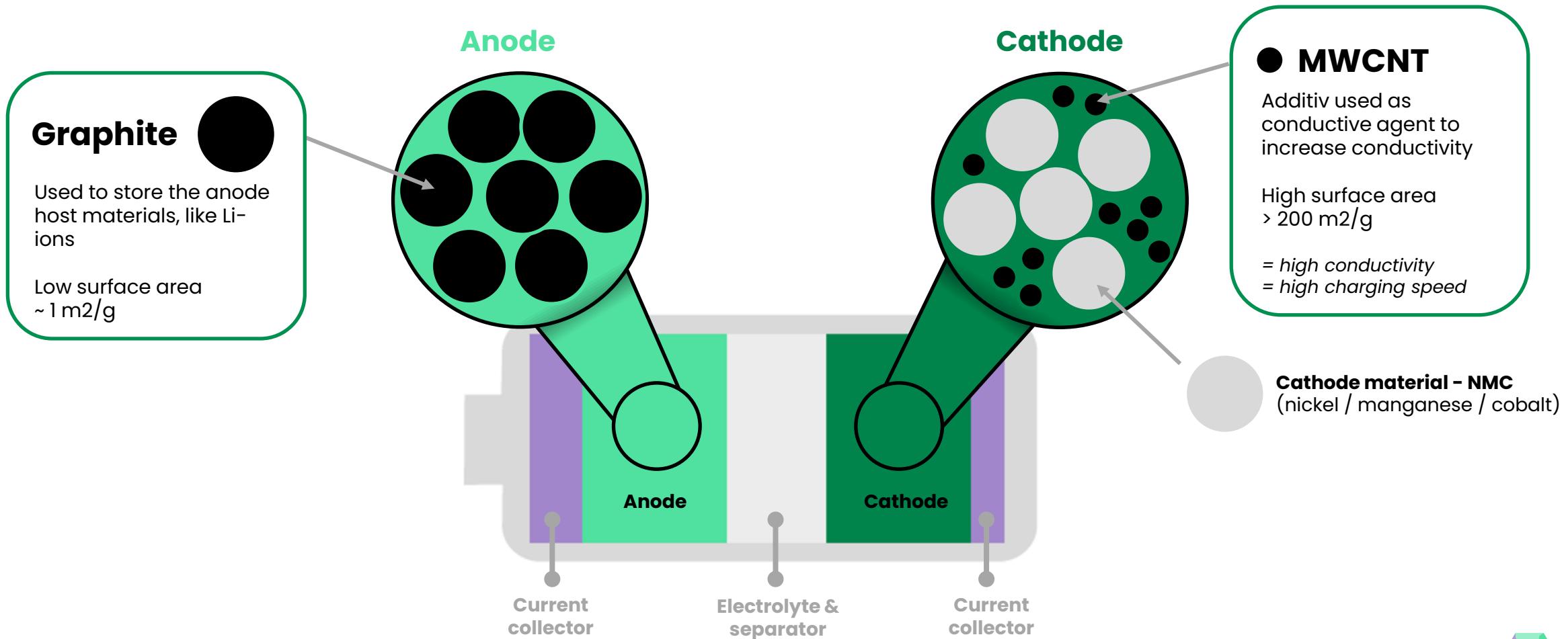


 Segment relevant to BCS



Carbon material for battery production

A typical lithium battery consist of anode, cathode, electrolyte and a separator where anodes and cathodes store lithium ion. Electrolyte carries positively charged lithium ion from anode to cathode and vice versa.



Nano Carbon



Multi-walled carbon nanotube (MWCNT)

A cylindrical nanostructure composed of multiple concentric layers of carbon atoms, exhibiting remarkable mechanical, electrical, and thermal properties

In batteries, MWCNT is used as conductive agent to increase conductivity in the cathode material (faster charging).

In 2021, ~27% of power batteries used carbon nano tubes as conductive agent, this is expected to increase to >60% by 2025

Required specifications for battery material



→ BCS improvements during 2023

Each battery producer will have its unique requirements on different parameters based on battery chemistry and material needs

After meeting the industry grade requirements on the basic parameters, each customer will need tailor-made specifications for the material



Macro Carbon



Anode active material Graphite and hard carbon

A crystalline form of carbon consisting of layered carbon atoms arranged in a hexagonal lattice, known for its excellent electrical conductivity and lubricating properties

In batteries this is used as host material that accepts Li-ions during charging and release them to cathode during discharge.

In 2022, ~95% of Li-Ion anodes were made of graphite.

Required specifications for battery material



→ BCS improvements during 2023

Macro carbon is more of a commodity material but still needs to fulfill a set of clear minimum requirements on a range of different parameters



Opportunities in Battery Material Supply

- High barriers to entry in battery material supply due to **high level of detail** in the required specifications
- Right specifications leads to **improved battery quality** on factors as capacity, charging speed, weight, life time and efficiency
- When specifications are met, there is a **high willingness to pay** for material supply
- **High and growing demand** for materials
- Off-take agreements tend to be very **long-term and for high volumes**
- Currently **in conversations** with 10+ industry players on required, tailor-made specifications



Lab testing of material specifications at BCS' Lab

Summary & outlook

Operational priorities



Fully funded to deliver on key priorities



Reducing costs

Successfully execute cost reduction program



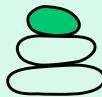
Optimizing technology

Focus on optimizing and verifying our technology



Growth market

Sustainable sourcing of carbon materials for the battery industry



Maintaining capital discipline

Continued strong capital discipline to preserve runway towards and beyond commercial scaleup, and flexible triple threat go-to-market strategy



Establishing partnerships

Enter long-term commercial industrial partnerships, both up and downstream, with focus on battery vertical



Invest in the Future with Bergen Carbon Solutions

1. Strong market demand for carbon products and emission solutions
2. Unique, robust technology roadmap
3. Bringing carbon production home
4. Competitive cost advantages with roadmap for cost reduction
5. Multifaceted go-to-market strategy
6. Solid financial runway towards scaleup with strong cash balance

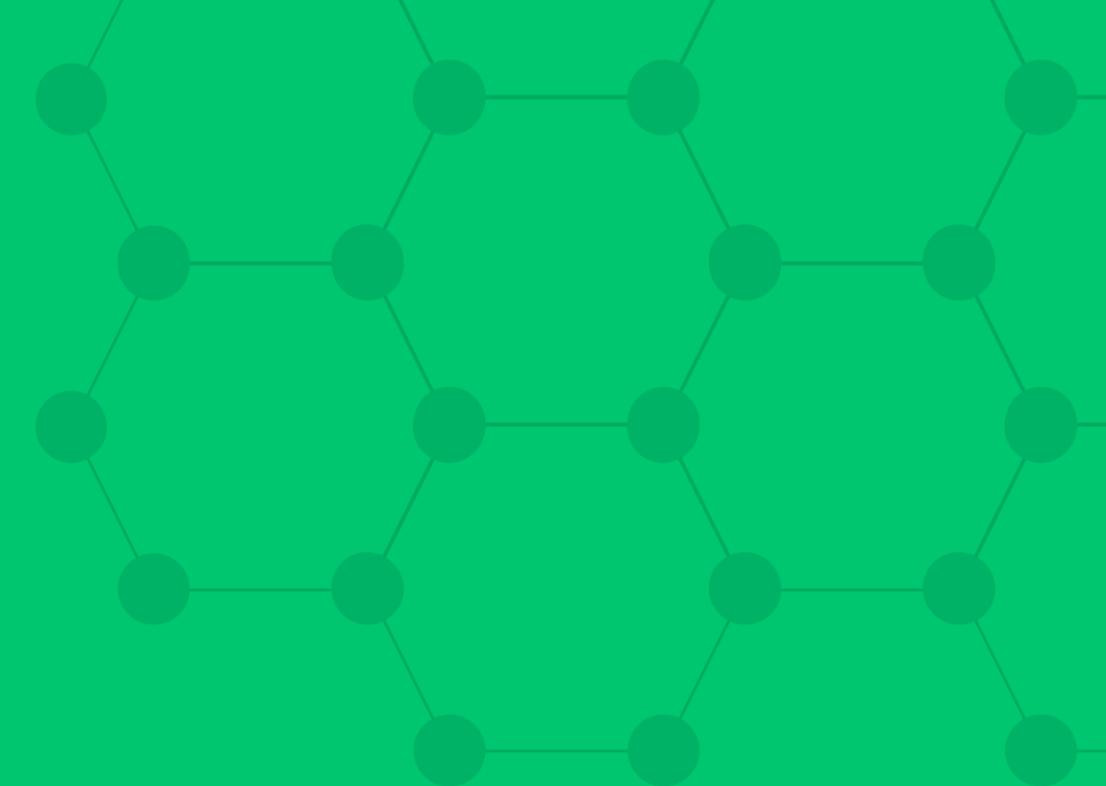


Summary Q2

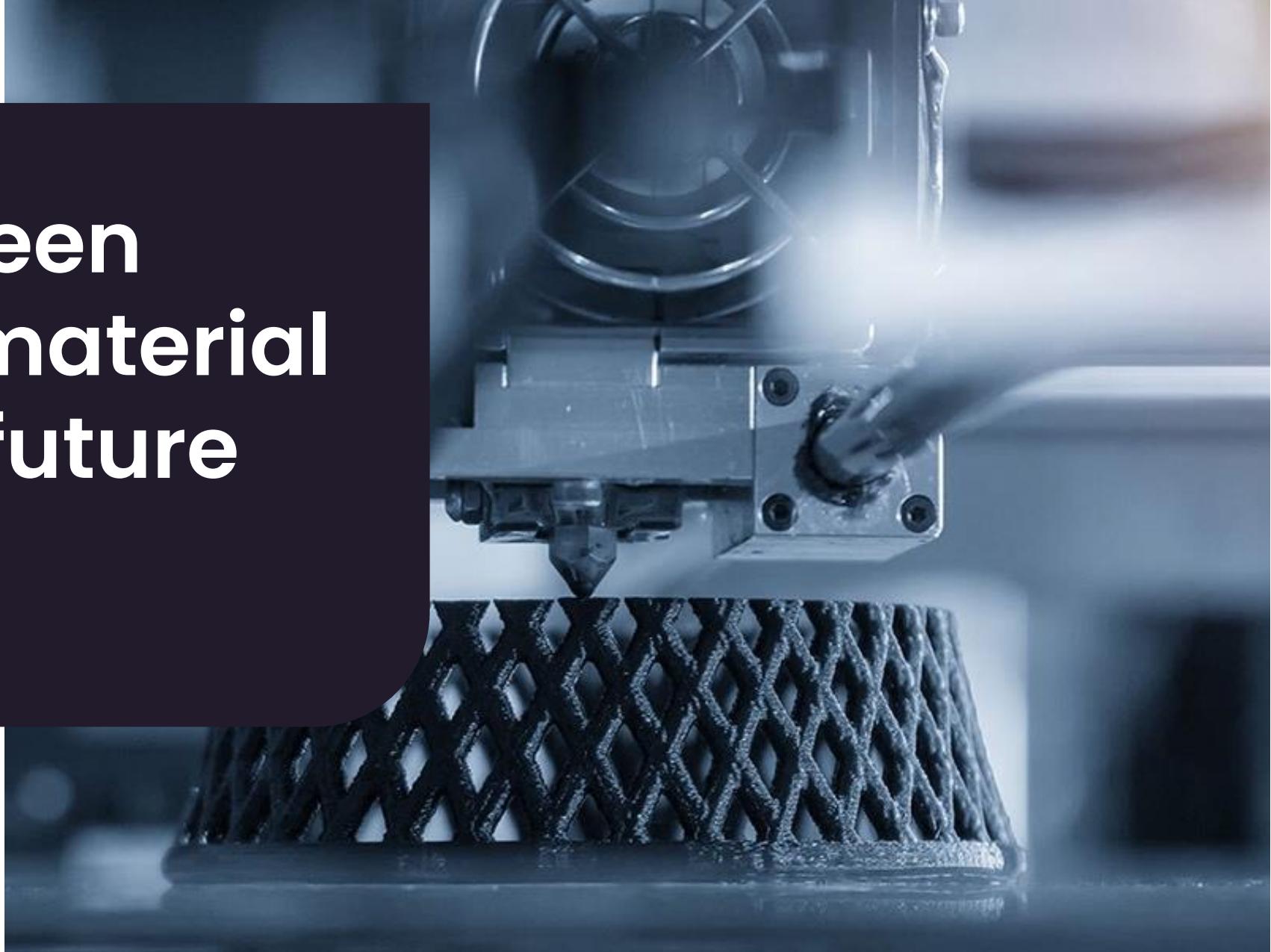
- Positive results from **new cost reducing process** of electrolyte recycling
- **Significant progress** on verifying our technology and products towards customers
- Several visits from and meeting with **interested potential customers**
- Burn rate **under control** and well financed
- Our **focus and strategy** remains on process optimization and product customization



Q&A



The green supermaterial of the future



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