



Q1

Report for the first
quarter 2024



This is Bergen Carbon Solutions

Headquartered in Bergen, Norway, Bergen Carbon Solutions (BCS) is a leading player in the field of carbon utilisation. Since our establishment in 2016 and subsequent IPO in 2021, we have been dedicated to pioneering sustainable solutions that make a real-world impact.

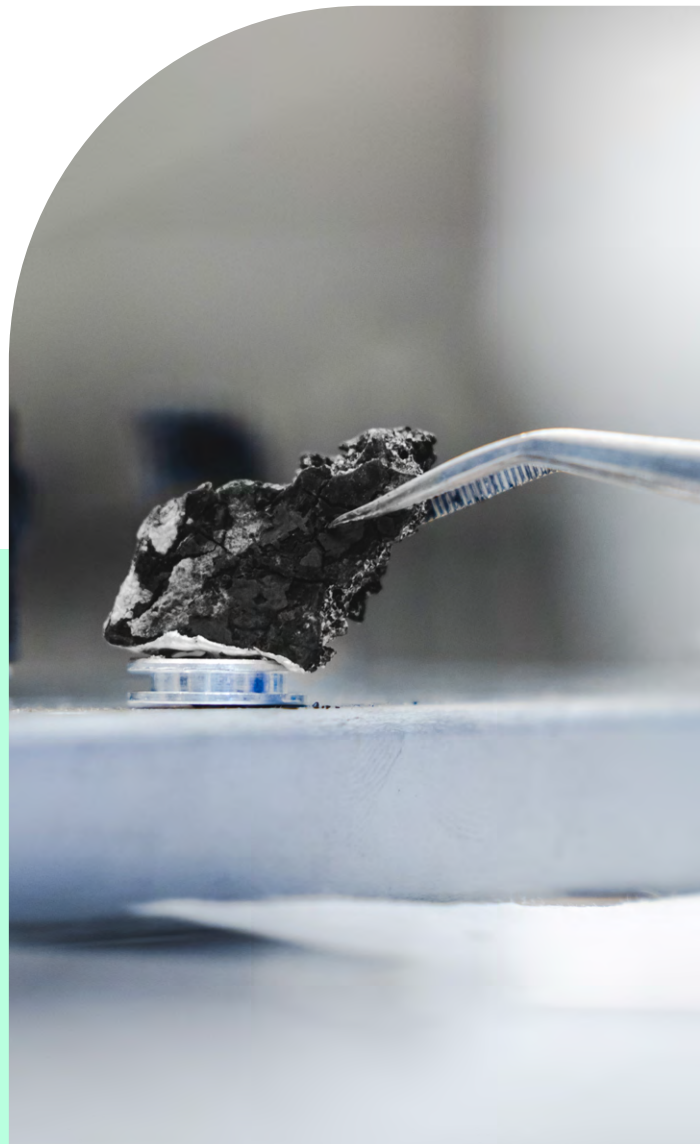
Our core technology leverages the power of electrolysis to transform CO₂ into valuable carbon products, including graphite and carbon nanotubes (CNTs) for the battery industry. By harnessing the potential of this process, we contribute to addressing environmental challenges while creating useful materials.

At BCS, we prioritise innovation that's rooted in practicality. Our team of experts collaborates to drive advancements in carbon utilisation. Our approach focuses on turning innovative ideas into tangible solutions.

While our operations are based in Bergen, our vision extends globally. Through partnerships and collaborations, we aim to amplify the impact of our solutions on a larger scale. We're not just making products; we're contributing to a more sustainable future.

Sustainability isn't just a tagline for us; it's the essence of our work. Our processes are producing products with a significantly reduced CO₂ footprint. By utilising advanced technology, we're making steps toward a greener tomorrow. Through practical innovation and a commitment to sustainability, we're actively shaping industries and pioneering change.

For more information and updates, visit our website: bergen carbonsolutions.com



Letter from the CEO

AN ACTIVE START TO A NEW YEAR



I am pleased to present our report for the first quarter 2024. The year has started with good activity at our pilot lab facility in Bergen, as well as several interesting interactions and meetings with potential partners. We entered 2024 with the same focus and speed as we left 2023. Which means our focus remains on process optimisation and product quality in order to meet our client requirements.

The process of validating and improving our Multi-Walled Carbon Nano Tubes (MWCNT) for different battery applications and chemistries progressed well in the first quarter. BCS has received test results from the validation process with Korean chemical company TKG Huchems. Tests from Huchems came back with several positive results, most importantly that some of the dimensional requirements such as diameter is within specifications. Other critical specification requirements such as the level of metal impurities and relative surface area are specifications still to be enhanced, and will as such be our main focus area going forward. A set of new MWCT test batch is now

produced and being sent over to Huchems. We will continue to work on quality improvements with iterative testing regimes ongoing with a number of different partners such as major automobile manufacturers, battery companies and chemical companies. Companies representing large CO₂ emittance combined with the utilisation of MWCNT and/or graphite for a various battery applications are most relevant.

As such the BCS technology, and our CCU equity story, attracts a growing level of interest. We believe that collaboration is key, especially with product end users with the mutual benefit to

enhance the battery performance. As a consequence we have signed new collaboration agreements since last quarter. We have entered into a technology development agreement with BroadBit Batteries Oy in Finland for a strategic collaboration between our organisations aimed at advancing the next-generation nano-carbon additive for LFP battery chemistries. The company continues its cooperation with a Chinese partner on Sodium batteries as well as participating in FME Battery research center with target on next generation of batteries and on improved circular sustainable battery technology value chain. We have also signed a collaboration agreement between BCS and the University of Bergen (UIB) that will strengthen our capacity for technical analysis and characterisation of nanocarbon materials. Collaboration agreements like these will increase our competence in BCS, while at the same time strengthening our relationship with other players in the industry.

In order to gain competence internally of the impacts of our carbon product to different battery chemistries we are now building a new Battery Lab at our headquarter in Bergen. The Battery Lab will have equipment for testing our product in different battery chemistries and will significantly increase the speed of product development towards the battery industry. This will build confidence and give us more control of the test results as well as give us valuable insights for further material development. The construction of the Battery Lab is close to finalisation. BCS has pioneered a new separation method, achieving nearly 99 per cent recycling of electrolyte from the electrochemical process. The electrolyte represents a major expense, and our novel technique is key to reducing the unit cost, enhancing our product's competitiveness. A patent for this groundbreaking process has been submitted to the Norwegian Intellectual Property Office (NIPO) and plans are underway to expand the patent coverage internationally via the Patent Cooperation Treaty within the coming year. Our approach includes

broadening our patent portfolio related to auxiliary processes while keeping core technologies like electrolysis and molten salt under control, securing our lead in the CCU market.

European Union's recognition of CCU as a more-and-more attractive alternative to the concept of CCS is worth noting, together with synthetic graphite as a strategic raw material, coupled with the introduction of the battery passport, uniquely positions BCS's value proposition. BCS will increase the market activities in Europe, leveraging the status as a provider of green synthetic graphite to meet the continent's growing demand.

Our financial outlook remains robust. With an adjusted net loss in line with guidance at NOK 18.4 million for the quarter, we are maintaining a disciplined approach to our cost base. Importantly, our commitment to key priorities is backed by our solid financial footing, evident through our cash balance of NOK 213 million.

Our key priorities remain clear. Our focus is on delivering on MWCNT specification and progressing commercial discussions with potential partners. With the new Battery Lab in close to finalisation, we will increase the speed of this process and open the door for similar discussions with more potential partners.

In closing, I extend my gratitude to our dedicated team, supportive stakeholders, and partners who continue to share our vision of leading the shift from fossil to green carbon production, reducing emissions and contributing to a cleaner, greener industry landscape.



Odd Strømsnes,
CEO of Bergen Carbon Solutions

HIGHLIGHTS AND KEY FIGURES

HIGHLIGHTS FOR THE FIRST QUARTER

- Several new collaboration agreements signed since presentation of the fourth quarter
- Patent application for filtration process filed
- Activities for verifying our technology and products towards customers are progressing according to plan
- Construction of the battery lab at headquarters in Bergen close to finalisation
- Cash burn as expected with NOK 18.4 million in adjusted operating loss for the quarter
- Fully funded to deliver on key priorities, cash balance of NOK 213 million

KEY FIGURES*

Amounts in NOK thousand	Q1 2024	Q1 2023	YTD 2024	YTD 2023
Total revenue and other income	10	5	10	5
Total operating expenses	22 766	18 569	22 766	18 569
Operating profit (loss)	(22 756)	(18 564)	(22 756)	(18 564)
Net profit (loss) for the period	(20 036)	(18 814)	(20 036)	(18 814)
Net change in cash and cash equivalents	(20 537)	(16 212)	(20 537)	(16 212)
Cash and cash equivalents, end of period	212 507	276 777	212 507	276 777
Outstanding shares, end of period	41 970 140	41 970 140	41 970 140	41 970 140
Cash and cash equivalents/total asset	83%	87%	83%	87%
Equity ratio	89%	91%	89%	91%
Equity	228 488	289 916	228 488	289 916
Total assets	255 543	317 090	255 543	317 090

* Unaudited consolidated group figures, simplified IFRS.

FIRST QUARTER 2024

FINANCIAL REVIEW

In the first quarter of 2024, there have been increased market activities, where the priority is to forge new industrial partnerships, with a special emphasis on incorporating Carbon Nano Tubes (CNT) as a conductive additive in various battery designs.

BCS has entered into technology development agreement with BroadBit Batteries Oy aiming at advancing the next-generation CNT additive for LFP battery chemistries.

BroadBit Batteries will perform battery coin cell testing with BCS' CNT.

As part of strengthening the company's capacity for technical analysis and characterisation of CNT, BCS has entered into a collaboration with UiB (University of Bergen).

Through this collaboration, BCS gains access to characterisation equipment as it will accelerate the progress and strengthen the relationship with UiB.

As part of BCS' novel separation technique, the company has at end of first quarter 2024 filed a patent application for this process to the Norwegian Intellectual Property Office (NIPO).

BCS has received first test results from the validation process with Korean chemical company TKG Huchems as previously communicated. The CNT test results have shown promising results; however, the product will still undergo a further optimisation process towards the required market specifications. TKG Huchems is currently performing the next round of testing.

The company's market exposure has increased through participation in several key market events including meetings and interactions with numerous major chemical- and battery companies. BCS are currently conducting product testing with some of these companies, which may potentially lead to future industrial partnerships.

FINANCIAL STATEMENTS

The financial statements for the first quarter 2024 shows a net loss of NOK 20 million, compared to NOK 18.8 million in the first quarter 2023.

Adjusted net loss for the quarter was NOK 18.4 million due to NOK 1.6 million in non-cash cost.

The financial result is according to plan and a direct result of the continued growth and scale-up of the business.

Cash and cash equivalents at the end of the period was NOK 212.5 million, compared to NOK 276.7 million in Q1 2023.

BCS has a steady cash-burn according to planned growth and amounts to NOK 20.5 million in the first quarter.

Interest income of NOK 2.9 million is accrued, non-disposable.

Total investments in the first quarter 2024 were NOK 1.4 million, mainly equipment for new battery lab.

At the end of the first quarter 2024, total assets amounted to NOK 255 million, compared to NOK 317 million at the same time last year.

Total equity was NOK 228.5 million vs. NOK 290 million in the first quarter 2023.

OUTLOOK STATEMENT

BCS' carbon products do have an interest across the entire battery value chain as the company can offer raw materials essential for companies with many interests in this field.

This means our market interface intersects on different levels in the vertical supply chain – from the raw material suppliers to the car manufactures.

In order to accelerate our carbon product qualification progress, implementation of the new battery lab on site is in progress and is expected to be up and running this summer.

The company continues its cooperation with a Chinese partner on Sodium batteries as well as participating in FME Battery research center with target on next generation of batteries and on improved circular sustainable battery technology value chain.

BCS is committed to strengthen the technical expertise through targeted recruitment and development initiatives, supporting our core technology activities.

The new filtration and separation pilot line, where a patent application has been filed, will continue to be an important project going forward in significantly reducing production cost.

BCS will in the upcoming period continue to build industrial relations and strive to secure strategic partnerships.

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS

<i>Amounts in NOK thousand</i>	Q1 2024	Q1 2023	YTD 2024	YTD 2023
Revenue	10	-	10	-
Other operating income	-	5	0	5
Total operating income	10	5	10	5
Raw materials and consumables used	1 453	1 377	1 453	1 377
Own work capitalised	-	-	-	-
Personnel expenses	11 110	9 229	11 110	9 229
Depreciation tangible and intangible assets	1 702	1 627	1 702	1 627
Impairment loss	-	-	-	-
Other operating expenses	8 501	6 336	8 501	6 336
Operating profit/(loss)	(22 756)	(18 564)	(22 756)	(18 564)
Other financial income	2 928	5	2 928	5
Other financial expenses	208	255	208	255
Profit/(loss) before tax	(20 036)	(18 814)	(20 036)	(18 814)
Income tax expense	-	-	-	-
Net Profit/(loss) for the period	(20 036)	(18 814)	(20 036)	(18 814)

STATEMENT OF FINANCIAL POSITION

<i>Amounts in NOK thousand</i>	2023	2022
ASSETS		
Licenses and patents	1 336	74
Total intangible assets	1 336	74
Right of use asset	15 371	18 744
Plant and machinery	19 043	18 206
Equipment and other movables	742	589
Total tangible assets	35 156	37 539
Inventory	986	355
Trade receivables	-	-
Other current receivables	5 558	2 345
Cash and cash equivalents	212 507	276 777
Total current assets	219 051	279 477
Total assets	255 543	317 090
EQUITY AND LIABILITIES		
Share capital	126	126
Share premium	228 362	289 790
Total equity	228 488	289 916
Lease liability	13 522	16 819
Total non-current liabilities	13 522	16 819
Accounts payable	3 408	1 141
Tax payables	-	23
Public duties payable	972	1 168
Other current liabilities	6 208	5 175
Lease liability short term	2 945	2 848
Total current liabilities	13 533	10 355
Total liabilities	27 055	27 174
Total equity and liabilities	255 543	317 090

STATEMENT OF CASH FLOWS

<i>Amounts in NOK thousand</i>	Q1 2024	Q1 2023	2023	2022
Cash flow from operating activities				
Profit (loss) for the period	(20 036)	(18 814)	(20 036)	(18 814)
<i>Adjustments for:</i>				
Depreciation, amortisation and impairment	1 702	1 627	1 702	1 627
Loss/gain on the sale of fixed assets	-	0	-	-
Net interest income and interest expenses	(2 720)	250	(2 720)	250
Share based payment expenses	1 208	660	1 208	660
<i>Changes in working capital:</i>				
Change in inventory	1 299	619	1 299	619
Change in trade receivables	-	511	-	511
Change in trade payable	269	(1 792)	269	(1 792)
Change in other accrual items	(613)	(1 384)	(613)	(1 384)
Cash generated from operating activities	(18 890)	(18 323)	(18 890)	(18 323)
Interest recieved	-	-	-	-
Income taxes paid	-	-	-	-
Net cash flow from operating activities	(18 890)	(18 323)	(18 890)	(18 323)
Cash flow from investing activities				
Sale of fixed assets	-	-	-	-
Capital expenditures tangible assets	(1 422)	(111)	(1 422)	(111)
Capital expenditures manufactured intangible assets	-	-	-	-
Proceeds from investment grants	-	2 090	-	2 090
Capital contribution and/or incorporation of subsidiaries	-	-	-	-
Net cash used in investing activities	(1 422)	1 979	(1 422)	1 979
Cash flow from financing activities				
Capital increase	-	-	-	-
Repayment of lease liabilities	(29)	366	(29)	366
Payment of lease interest	(197)	(234)	(197)	(234)
Net cash flow from financing activities	(226)	132	(226)	132
Net change in cash and cash equivalents	(20 537)	(16 212)	(20 537)	(16 212)
Cash and cash equivalents at the beginning of the period	233 044	292 989	233 044	292 989
Cash and cash equivalents at the end of the period	212 507	276 777	212 507	276 777



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