



CARBON TRANSITION ASA

Fearnley Securities Annual Renewables & Clean-Tech Conference

24 November 2021





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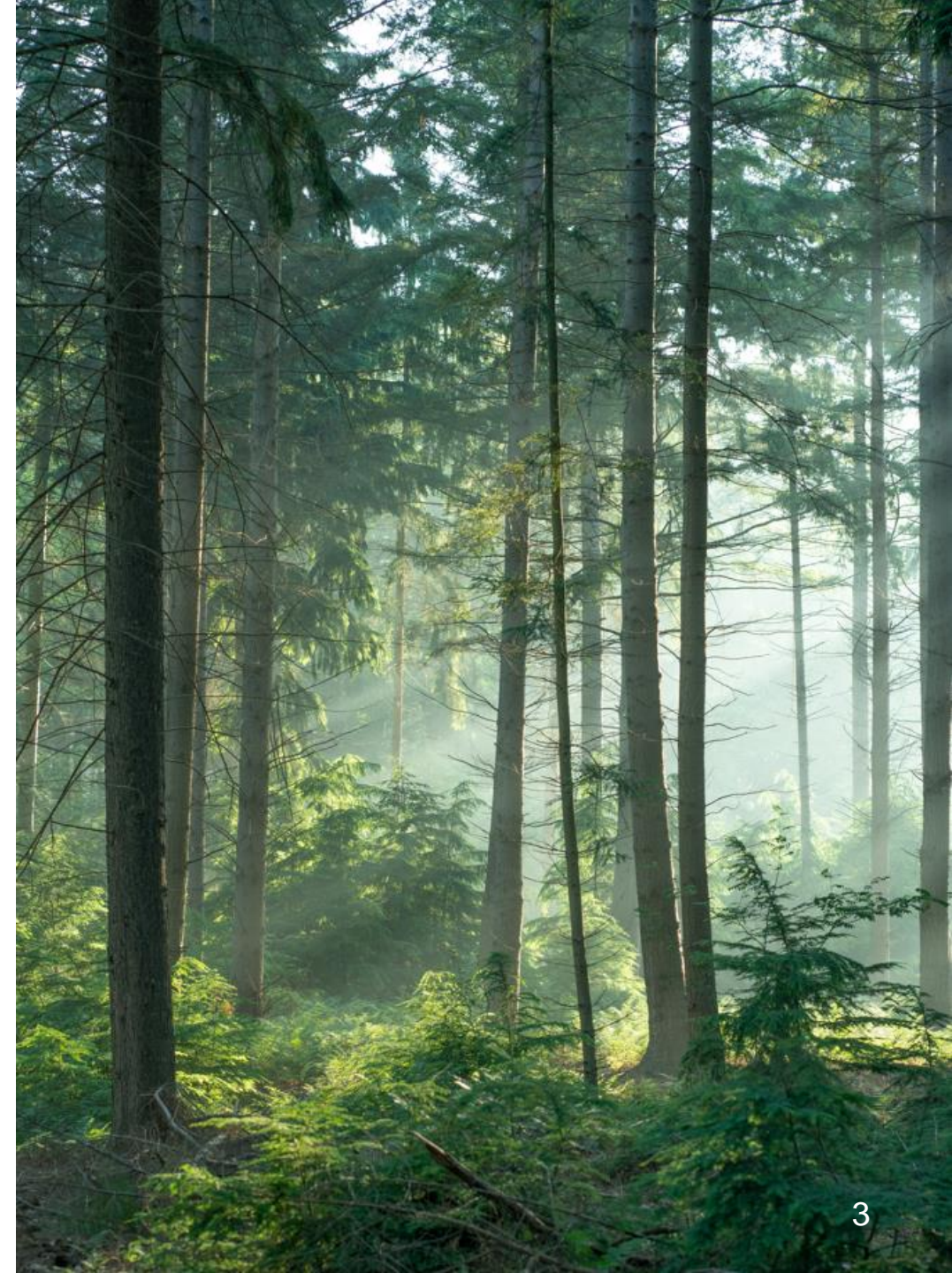
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Strategy

Focus on investing in companies & technologies which contribute to significant reduction of carbon emissions

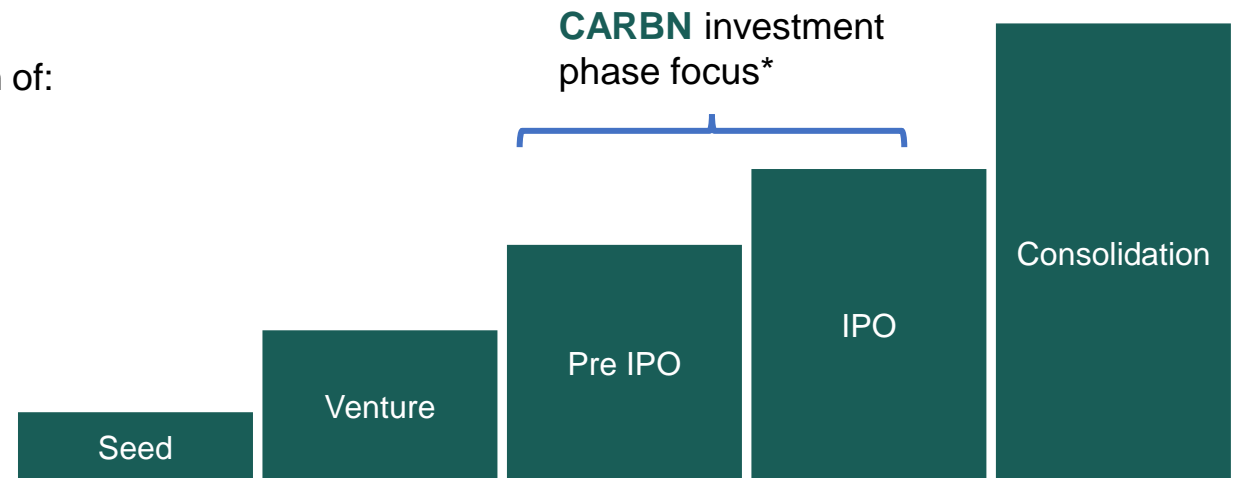
- Listed investment company - a unique vehicle to take part in the ongoing energy transition from an early stage
- Multiple sectors facing large and lasting changes, creating opportunities to invest in long term winners (there will be several)
- Opportunistic approach but typically some common denominators:
 - Unique & proven technology
 - Scalable business model
 - High barriers to entry
 - Global potential
- Company may also invest more broadly in the energy transition space





Value proposition

- To unlock value through investing in companies which are:
 - Through its seed and venture phase
 - Currently looking for growth capital in pre IPO phase
 - Targeting an IPO in the short to medium term
- A unique investor for such companies as we provide a combination of:
 - Sizeable investment
 - Active involvement
 - Attention through stock listing
 - Strong shareholder base
- Unique access to deal flow through active network
- Income from legacy business to contribute to funding of new investments



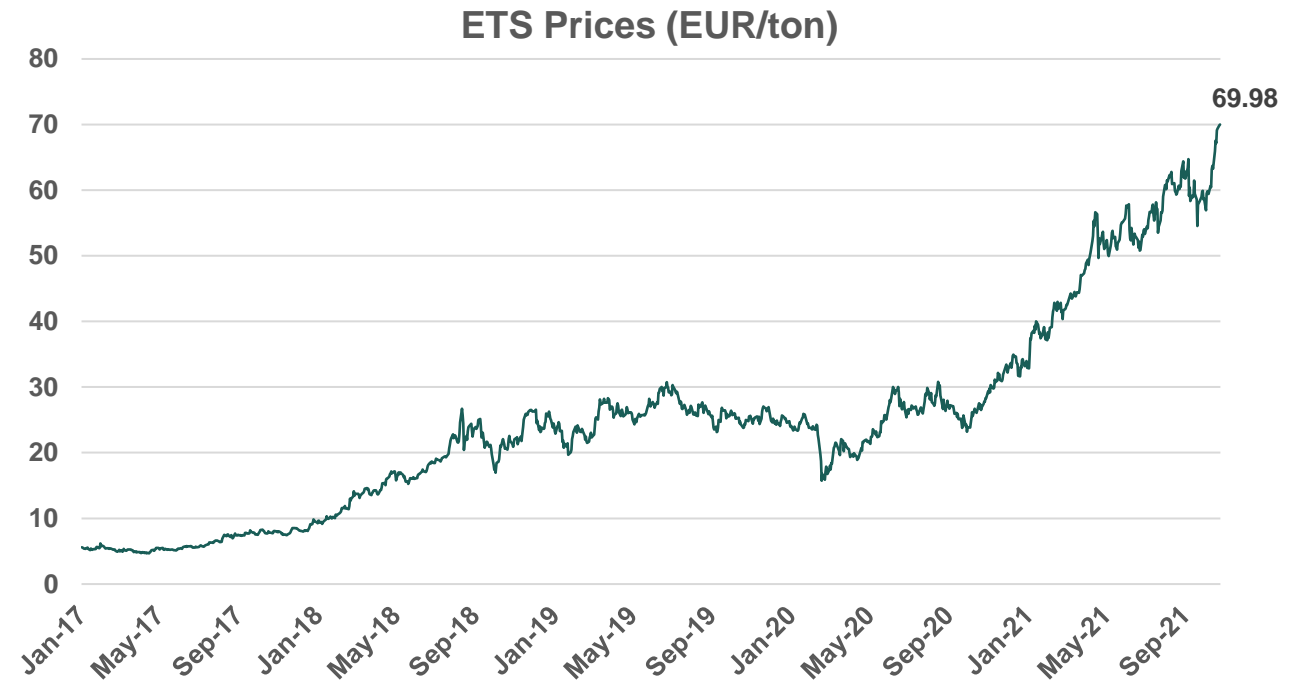
* Company may also make investments which deviate from the illustrative model



CO₂ prices

The driving force of change – and green profitability

- In four years' time, the price on European emissions rights, EU ETS, has increased tenfold
- **Currently trading around EUR 70/ton**
- EU “Green Deal” target: Europe to be the world’s first carbon neutral region by 2050
- China with similar commitment for 2060
- Global momentum through the Paris climate agreement
- Massive investments needed to meet targets
 - Estimated level > EURO 250 billion / year for EU alone
 - Funds exiting fossil fuels/energy in parallel



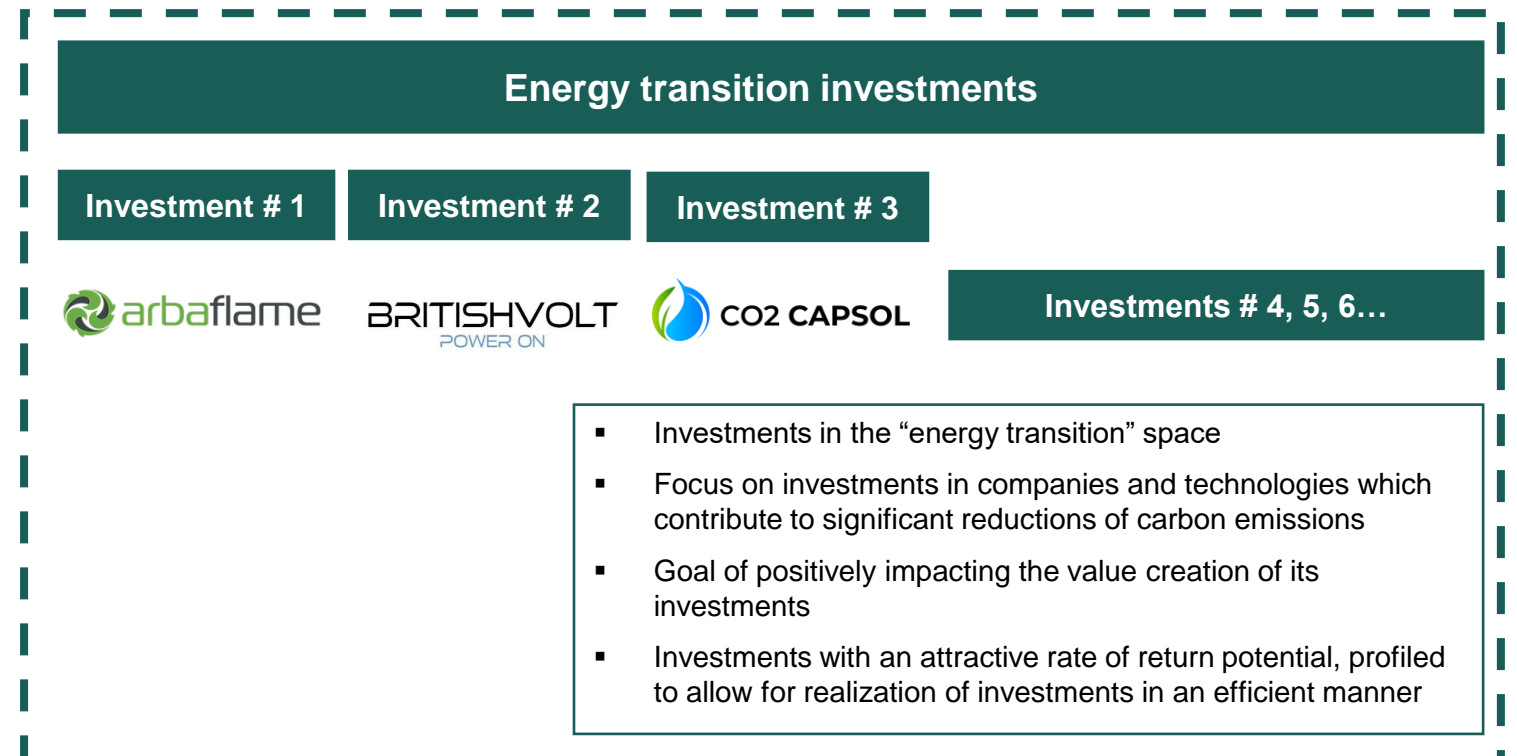
Source: SpareBank 1 Markets equity research



Carbon Transition investments is the way forward

Maximizing value of legacy seismic business

Legacy segments	
Multi-Client	Ocean Bottom Node
<ul style="list-style-type: none">▪ Holds significant ownership of high-resolution seismic data surveys in Norway and Egypt▪ Late sales to generate revenues and cash flow▪ Joint ownership with TGS and Western Geco	<ul style="list-style-type: none">▪ Global experience with multi-vessel ocean bottom node (OBN) operations▪ Project organization capable of performing complex OBN operations▪ Scalable asset-light business model, low fixed cost structure▪ Evaluating strategic alternatives





First investment | Arbaflame

- NOK 30 million invested as part of NOK 156 million convertible loan
- NOK 550 million invested to date, including several ESG focused entities and main sponsor Pemco
- Highly attractive company with unique and verified technology enabling production of black pellets from bio waste (“ArbaCore”)
- ArbaCore can fully replace coal in coal-fired power plants worldwide, reducing Co2 emissions by approximately 90% compared to coal
- Current production capacity at 70,000 tonnes per year, with goal of >850,000 tonnes per year in 2026 (0.2% of the total coal consumption in EU)
- Backlog for delivery of ArbaCore corresponding to a value of up to EUR 65m
- Verified extraction of planned high value green chemicals: Furfural, Methanol and Biogas
- First truck of ArbaCore delivered to port early July
- LOI with Ministry of Energy of Romania for coal replacement test. Subject to successful test, planning capacity expansion of 2 million tonnes per year (20 ArbaNEXT plants)
- Substantial global potential





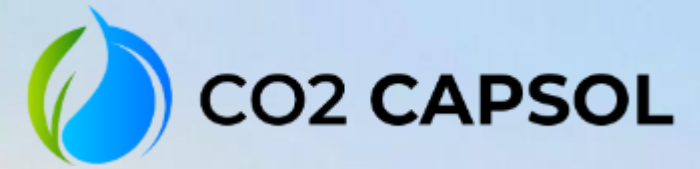
Second investment | Britishvolt

- NOK 15.2 million invested in the company's series B financing in return for shares and options for equivalent amount
 - Other investors include Glencore, Cathexis Venture II and NG Bailey
- Manufacturer of lithium-ion batteries for electric cars, established with the aim to meet the Electric Vehicle ("EV") battery demand in the UK & EU by 2023
- The company has identified Blyth, in Northumberland, as the site for the Gigafactory and acquired the required land in April 2021. The UK Gigaplant is targeting a capacity of 39GWh
- A second Gigafactory in Canada is in the planning stage. The Canadian Gigaplant is targeting a capacity of 72 GWh
- Britishvolt recently announced that it has entered into an offtake agreement with FTSE 100-listed Glencore for the supply of responsibly sourced cobalt
- Britishvolt has signed an MoU and term sheet with leading organizations including WMG and Oxford University for the development of next-generations solid state technology. Solid state batteries are expected to be the next generation technology for electric vehicles



Third investment | CO2 Capsol

- NOK 40 million invested in a pre-IPO growth financing round
- CO2 Capsol owns a proven, cost competitive carbon capture technology with full cycle cost (opex and capex) of \$30-37/t (vs. \$43-50 for traditional technologies)
- CO2 Capsol technology utilizes a patented heat recovery process which significantly reduces energy costs
- Each module has a capacity of 2.5mtpa, and the solution is easily scalable by adding several modules to the same plant. Efficient installation period of 18-24 months requiring no modification of existing facilities
- Technology based on Hot Potassium Carbonate (“HPC”), which is a non-hazardous solvent used in the food industry – this results in a safe solution with HSE benefits over existing amine-based alternatives
- CO2 Capsol’s technology has been selected for Stockholm Exergi’s carbon capture facility (800,000 tons CO2/year)
- Highly scalable licensing model with strong margins, low capex requirements and a recurring revenue component
- CO2 Capsol has entered into a collaboration with Petrofac who has been awarded the Front-End Engineering Design contract for Stockholm Exergi
- Cooperation agreement with WOIMA Finland; waste-to-energy power plants





Current investments tick the boxes



Unique & proven technology



Scalable business model



High barriers to entry



Global potential



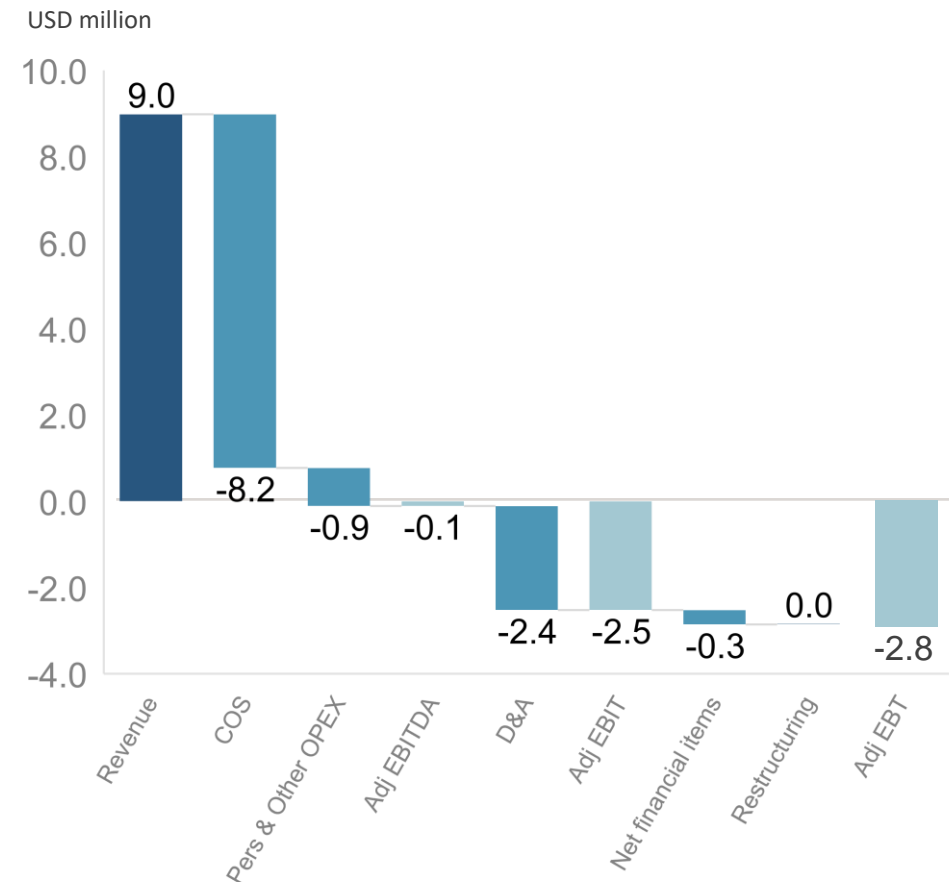
Pre-IPO funding round





Third quarter income statement

- The company completed the North Sea project on time and ahead of budget during the quarter
- Revenues from the OBN contract of USD 9.0 million
- Adjusted EBITDA of USD (0.1) million
 - Reflecting operational downscaling, restructuring and transaction costs of USD 0.5 million
- Adjusted EBIT of USD (2.5) million
- Adjusted EBT of USD (2.8) million



Adjusted figures for Q3 2021 is reflecting operational downscaling cost of USD 0.3 million and restructuring and transaction cost of USD 0.2 million.



Third quarter financial position

USD million

Assets	30.09.2021
Multi client library	30.7
Property, plant & equipment	4.0
Investments	5.2
Other current assets	0.7
Cash and cash equivalents	9.2
Total assets	49.7
Equity and liabilities	30.09.2021
Equity	34.0
Interest bearing debt	6.3
Accounts payable	3.0
Other current liabilities	6.5
Total equity and liabilities	49.7

- Investment in CO2 Capsol of NOK 40 million completed subsequent to balance sheet date
- Equity private placement of NOK 35 million concluded in October 2021
- Interest bearing debt of USD 6.3 million owed to TGS in connection with the Utsira multi-client survey
- Other current liabilities includes USD 5.9 million in Egyptian taxes
- Tax loss carryforward preliminarily estimated at approximately USD 44 million



Overview of shares outstanding

Overview shares	Number of shares	%
Ordinary shares as of 01.01.2021	58,821,018	2.5%
Private placement June 2021	1,445,000,000	60.3%
Converted shares June 2021	424,399,458	17.7%
Subsequent offering July 2021	200,000,000	8.3%
Reverse split shares	24	0.0%
Total shares	2,128,220,500	88.8%
Reverse split 9 August 2021 (10:1)	212,822,050	
Private placement 21 October 2021	21,282,205	8.9%
Private placement 5 November 2021	5,655,862	2.4%
Total shares today	239,760,117	100.0%

- Strong investor base following the restructuring of the company

Investing in a
sustainable future.