



AKER CARBON
CAPTURE

Q2 2021

Oslo, 12 July 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

Carbfix MoU and Carbfix, Elkem MoU

Moved to Oslo Børs' main list and trading on OTCQX in the US

Established in Denmark and UK

Several studies awarded

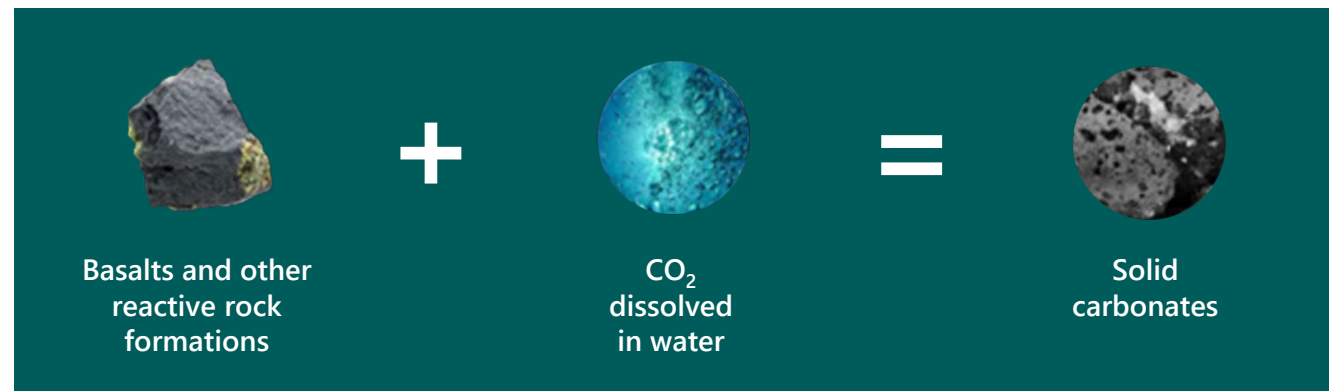
Aker Carbon Capture and Carbfix to offer full value chain CCS



- MoU to collaborate on cost-efficient CCS that will accelerate carbon removals
- Offer emitters the whole CCS value chain, capturing CO₂ and permanently storing it by turning it into stone underground
- Modular and scalable CCS solution
 - Onsite CCS
 - CCS with mineral storage hubs
- Mineralization to carbonate minerals in less than two years
- Suitable geological formations can be found in every continent

Carbfix

- Technology development since 2007
- CCS at Helliseidi Thermal Power plant in Iceland since 2012
- Planning Coda Terminal - A scalable onshore CO₂ mineral storage hub in Iceland



Aker Carbon Capture and Carbfix to Explore CCS at Elkem Iceland's ferrosilicon plant

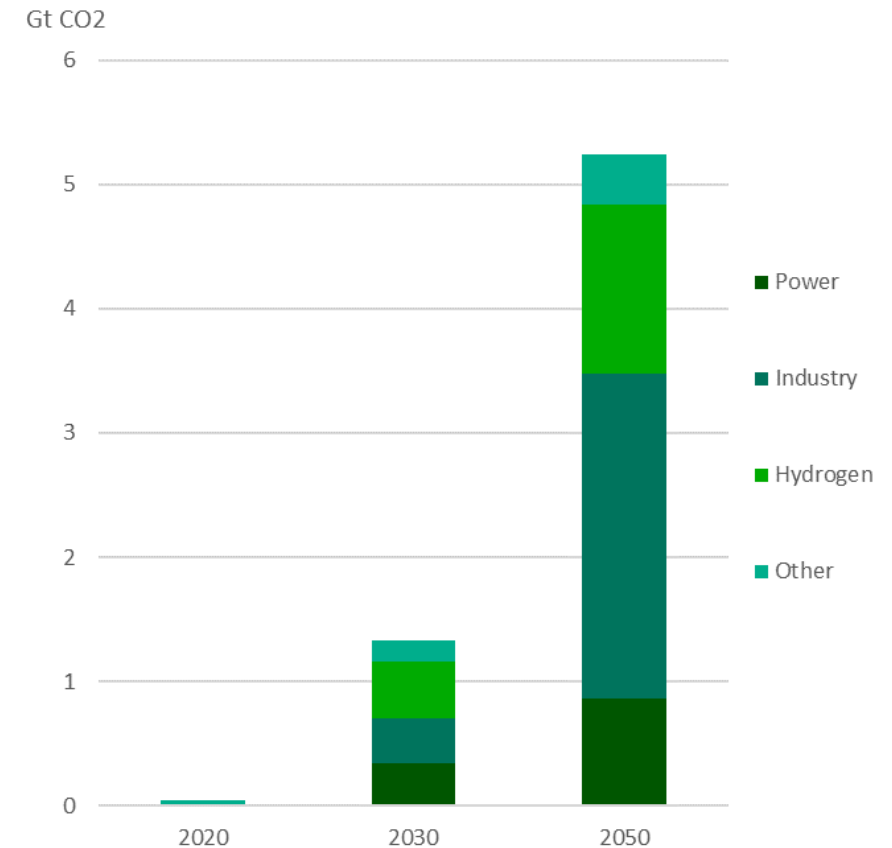
- MoU to evaluate reducing CO₂ emissions of Elkem Iceland's plant through carbon capture and on-site mineral storage in basalt structures
- Cost-efficient full CCS value chain solution
- The core product at Elkem Iceland is ferrosilicon, which is one of the elementary raw materials for the steel industry.
- Today Elkem Iceland is the second largest ferrosilicon plant in the world, with an annual capacity of 120.000 tonnes.



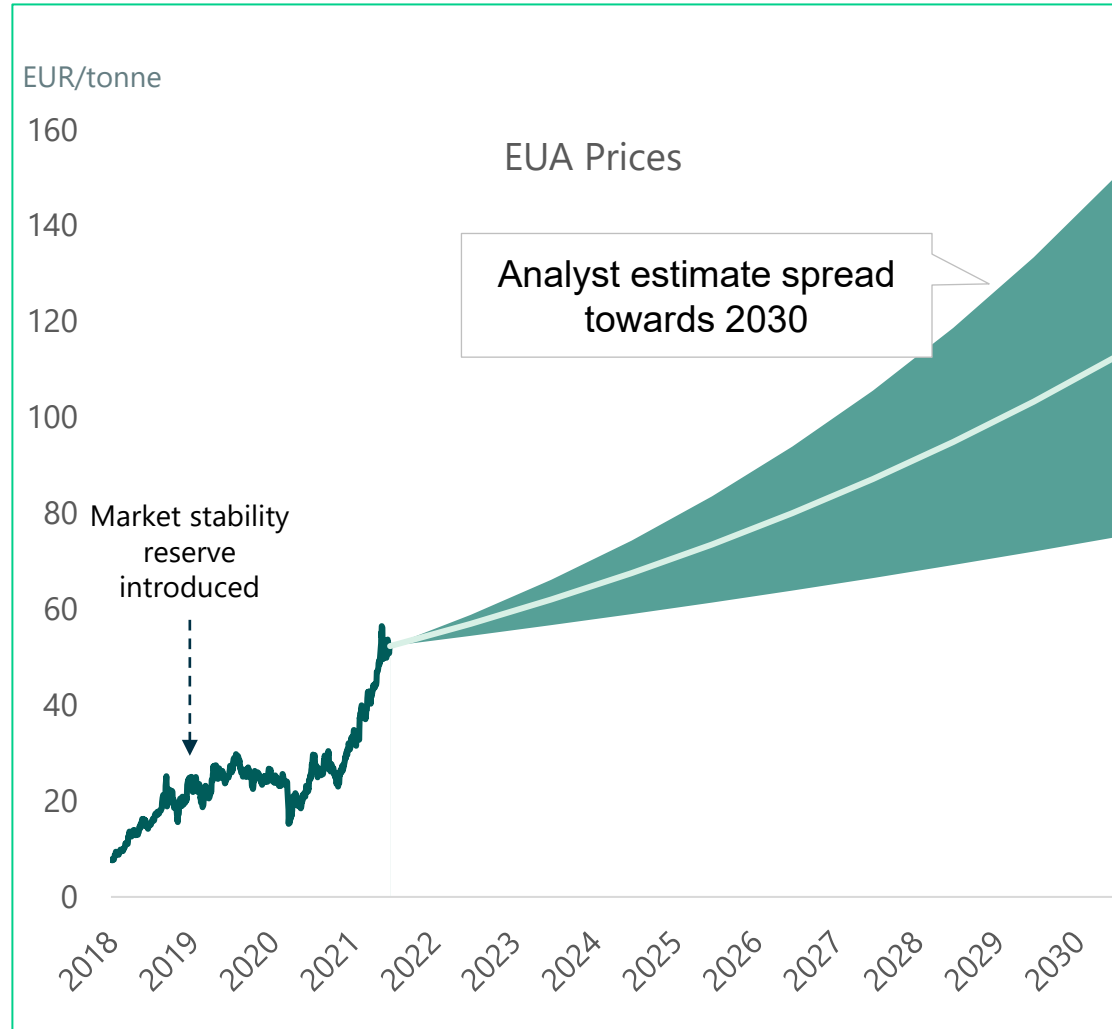
Increased market demand

- EU's first climate law sets binding target of reducing net GHG emissions by at least 55% by 2030 compared to 1990
- Increased focus on carbon removals with BECCS in EU
- 64 different carbon price mechanisms in place covering ~25% of global emissions up from 5% covered 10 years ago
- CCUS key part of IEA recent Net Zero 2050 roadmap visioning significant growth:
 - 1300 million tonnes CO₂ by 2030
 - 5200 million tonnes CO₂ by 2050
- EUR ~130 per tonnes carbon price required¹ to reach 1.5 degree target

CCUS demand by sector in IEA Net Zero 2050 roadmap

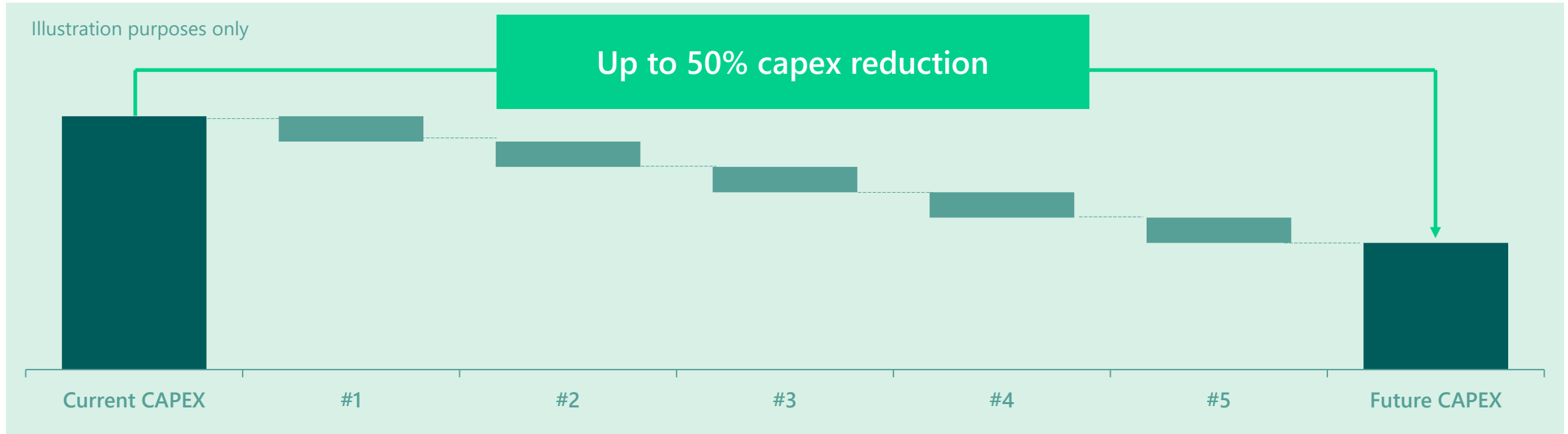


EUA (EU ETS) price increase supported by potential allowance shortage



- EU ETS price up 170% last 12 months driven by revised emission targets and price mechanisms
- Analyst 2030 targets range from EUR 75 to EUR 150 per tonne
- Market Stability Reserve introduced in 2019
- Faster decrease in overall available emission allowances (~2.2% reduction p.a. from 2021)
- The European Commission considers to impose a carbon border tariff on goods imported to the EU, targeting sectors such as steel, iron, cement, fertilizers, aluminium, and electricity

Capex reduction by 2025



ENABLED BY DIGITALIZATION

#1

Technology development

#2

Standardization and modularization

#3

Strategic partnerships

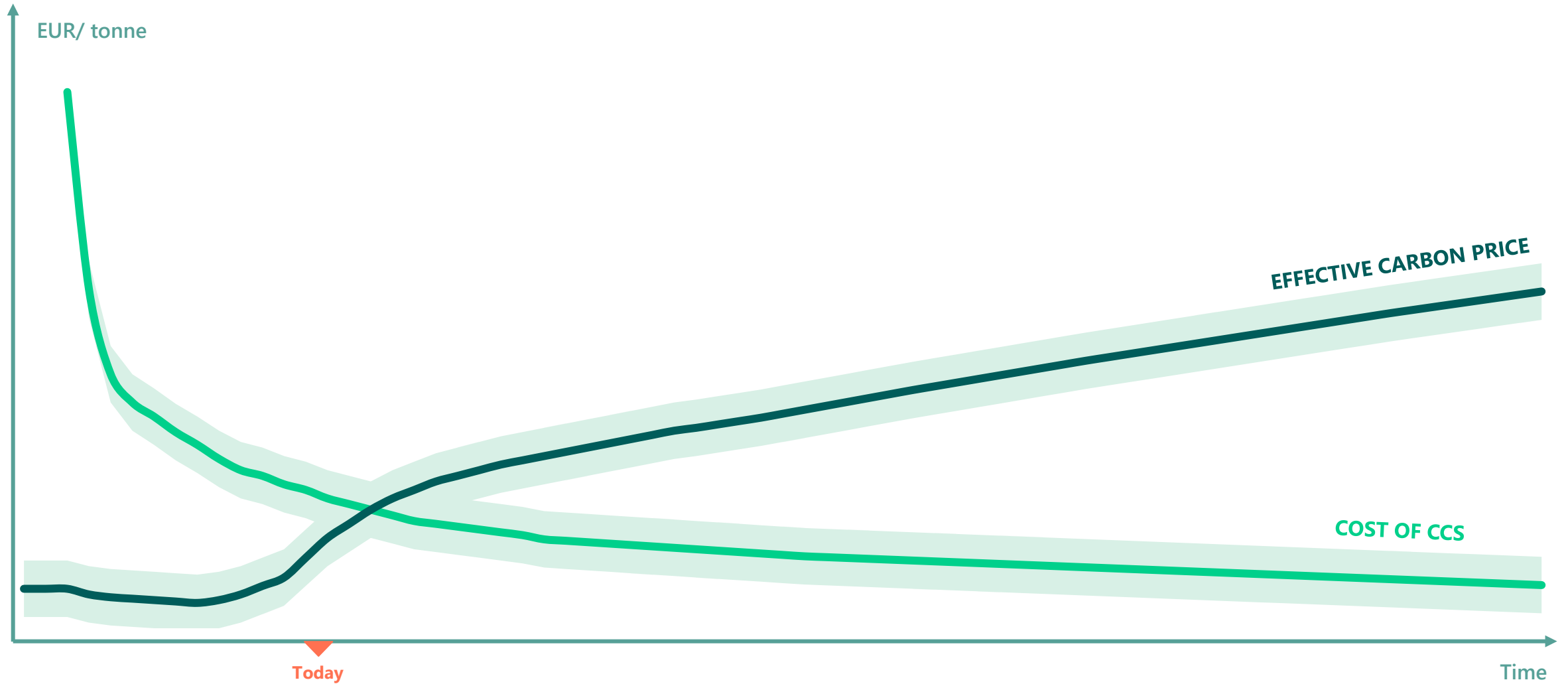
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Long-term supply chains being established

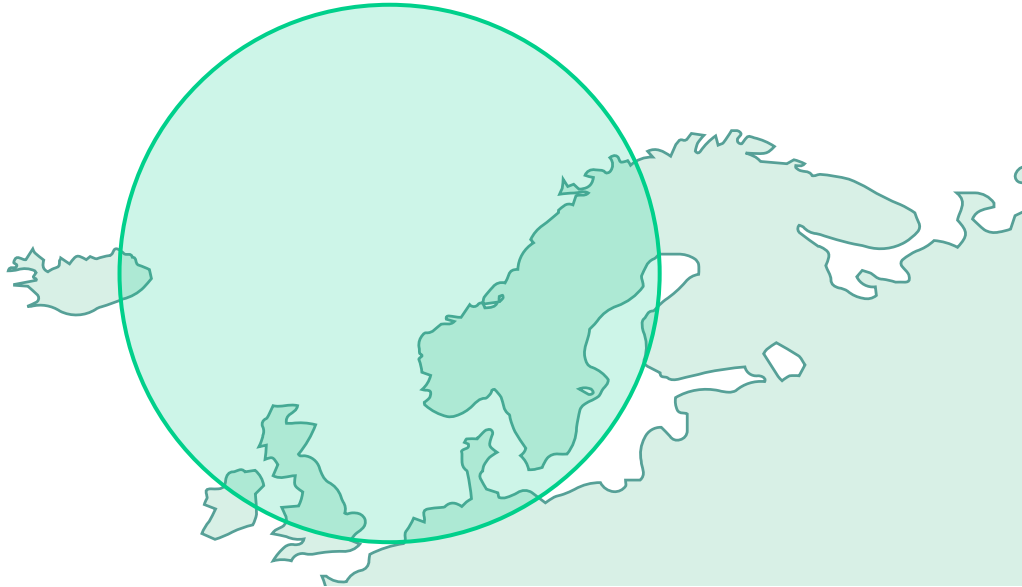
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Learning by doing

CCS economics turning positive



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

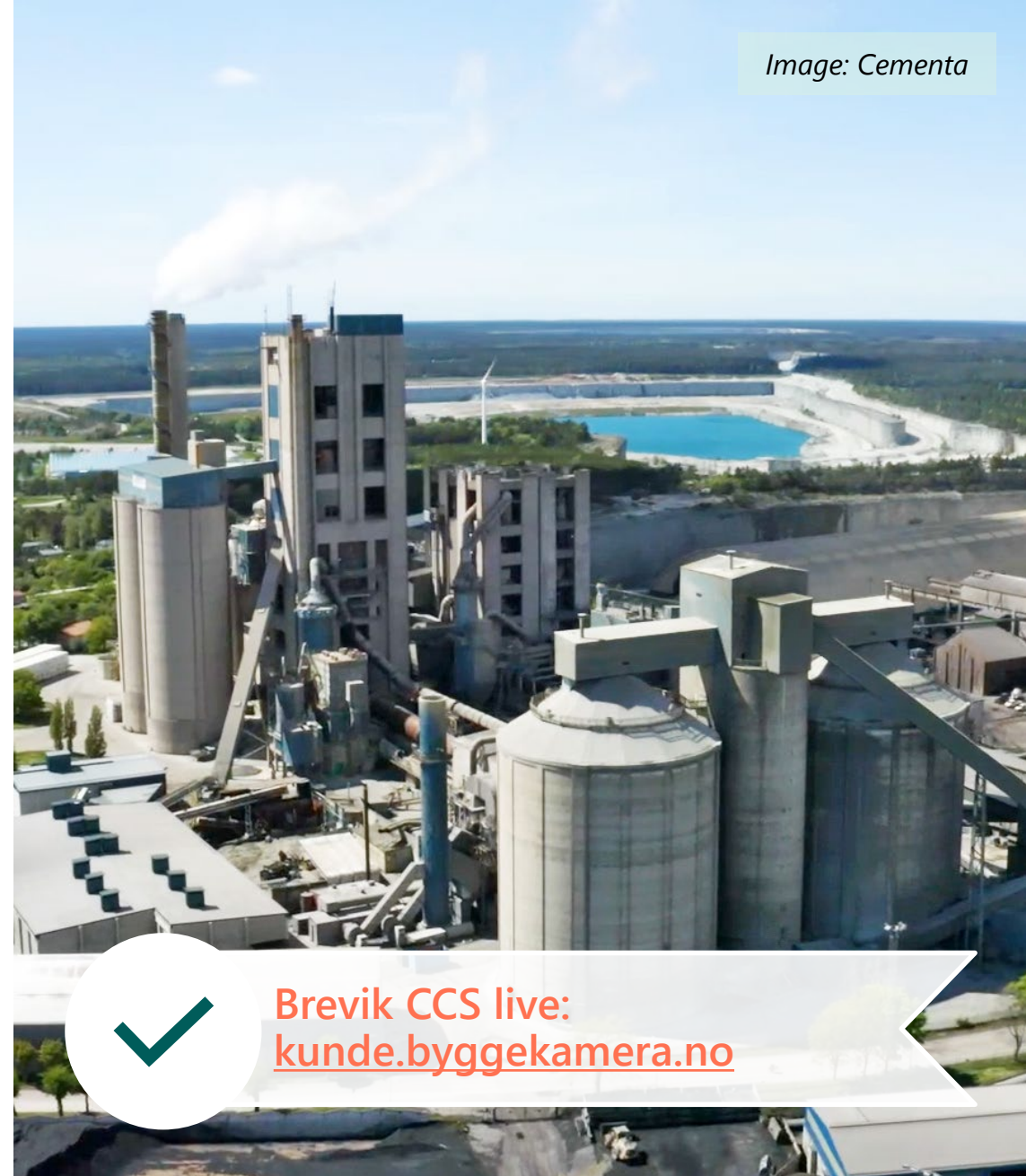
Brevik CCS

- 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 of ~NOK 1.7 billion
- In operation from 2024

Market

- Cement industry represents 6-7% of global emissions
- HeidelbergCement intends to upgrade its facility on Gotland, Sweden to become the world's first carbon-neutral cement plant
- Nexe study awarded for cement plant in Croatia

Image: Cementa



Brevik CCS live:
kunde.bygggekamera.no



Bio/Waste-to-energy

Twence

- Planned start-up of the EPC project in Q3 2021 pending final governmental approval

Ørsted and Microsoft

- MoU to explore ways to support the development of carbon removals at biomass-fired heat and power plants, in Denmark

BIR

- Agreement with BIR to explore carbon capture
- Largest CO₂ emitter in Bergen, Norway and located only 60 km from the Northern Lights terminal

Forus Energi & Lyse

- MoU to explore development of a full-scale CCS facility in Stavanger/Sandnes region in southwestern Norway
- Working together to deliver a joint EU funding application

Viridor

- Secured a feasibility study to explore implementation of carbon capture at one of Viridor's largest plants in the UK

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

Aukra

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

Position

- Aker Carbon Capture’s technology is proven for decarbonizing hydrogen production
- Preparing for the future hydrogen market through R&D
- Partnerships established with SINTEF



Technology Partner:
Haldor Topsoe

Gas to power

UK Industrial Decarbonization Strategy

Ambition to capture 10Mt of CO₂ a year by 2030

Track 1

- 2 clusters will be selected after a funding competition
- Both clusters will have an offshore CO₂ storage site
- In operation by 2026

Track 2

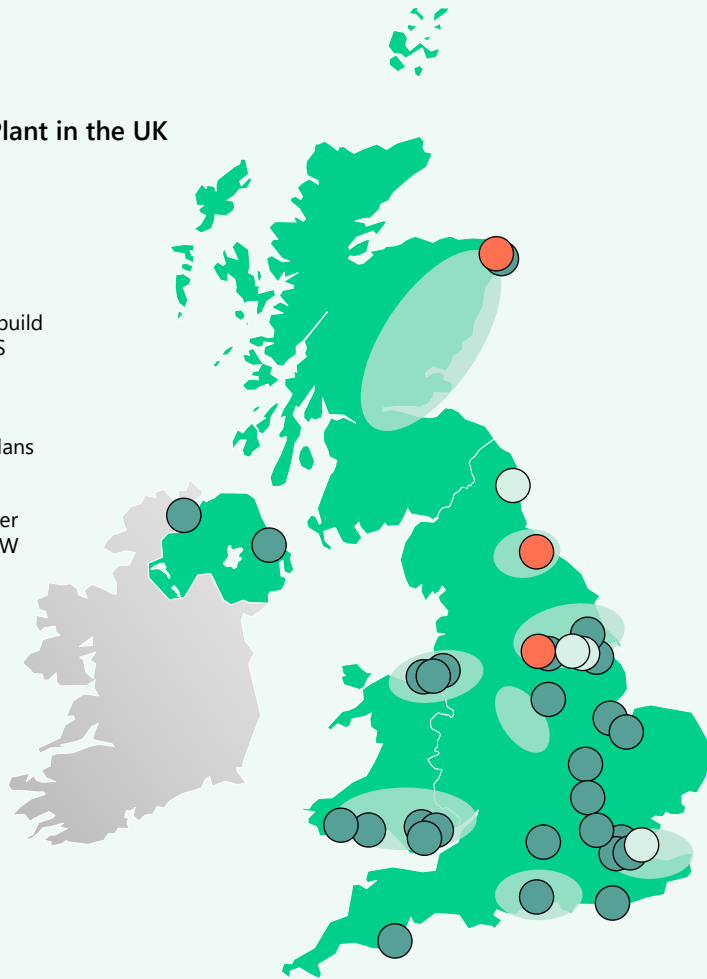
- In operation by 2030

Major UK project opportunities progressing incl.

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

Gas Fired Power Plant in the UK

- Industrial clusters
- Planned new build CCGT c/w CCS
- Existing CCGT retrofit CCS plans
- Gas fired power plant >300 MW



Technology partner:
Siemens Energy

We take the challenge to accelerate the full CCS value chain

Aker Carbon Capture will

- Handle CO₂ from point of emission to permanent storage
- Provide and operate the carbon capture facilities
- Transportation and storage embedded in the service through strategic partnerships
- Further accelerate CCS cost reductions through standardization, digitalization, scale and full value chain integration
- Finance investments through separate yield company in cooperation with Aker Horizons



CARBON CAPTURE AS A SERVICE
Carbon capture made easy™

Pay per tonne CO₂ captured

Carbon capture made easy

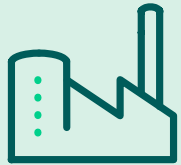
From a complex management the full CCS value chain...



Interface, contracts and risk across the full CCS life-cycle



Financing



Carbon Capture



Liquefaction



Temporary storage



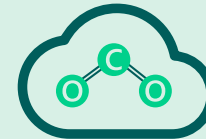
Transportation



Permanent storage



...to carbon capture made easy



CARBON CAPTURE AS A SERVICE
Carbon capture made easy™

Untapped market potential for standardized solutions

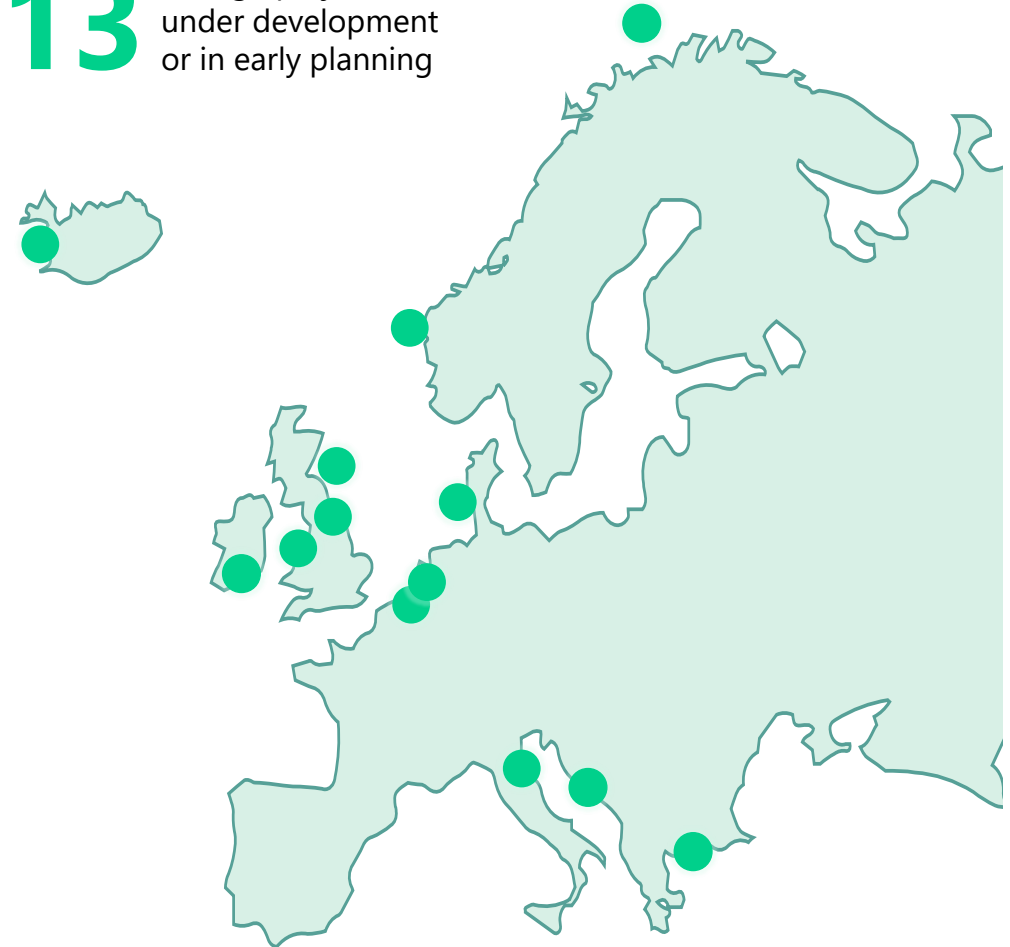
Market has focused on **large emitters** so far

More than 700 relevant emitters across Europe

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

Flexibility

13 storage projects under development or in early planning





CARBON CAPTURE AS A SERVICE
Carbon capture made easy™



Introducing new offering with lower customer barrier to entry



Building foundation for long term service revenues



Increasing exposure to full CCUS value chain



Providing technology, EPC and service offerings and maintain a capital-light business model

...to be continued

Aker Carbon Capture
Capital Markets Day

Date: 9 September 2021



10 in 25

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

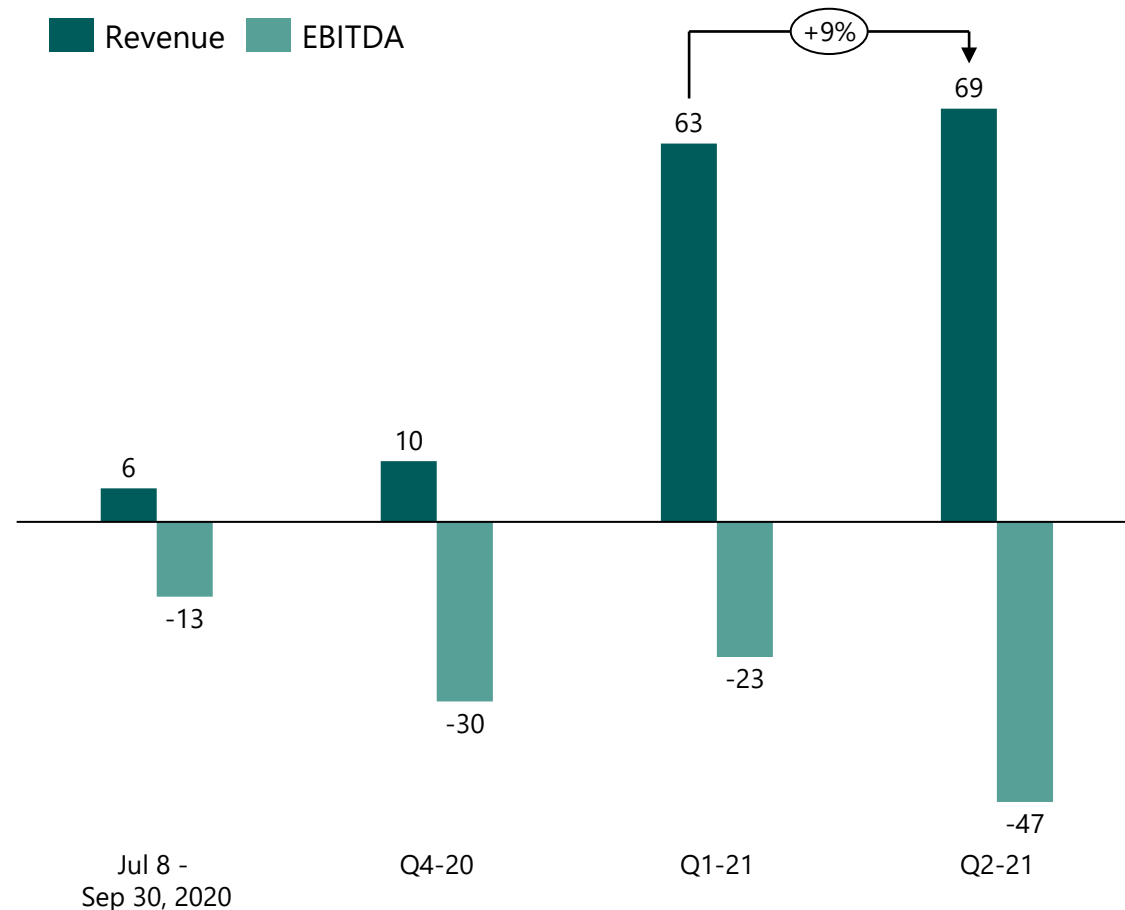




Financials

Q2 2021 | Income Statement

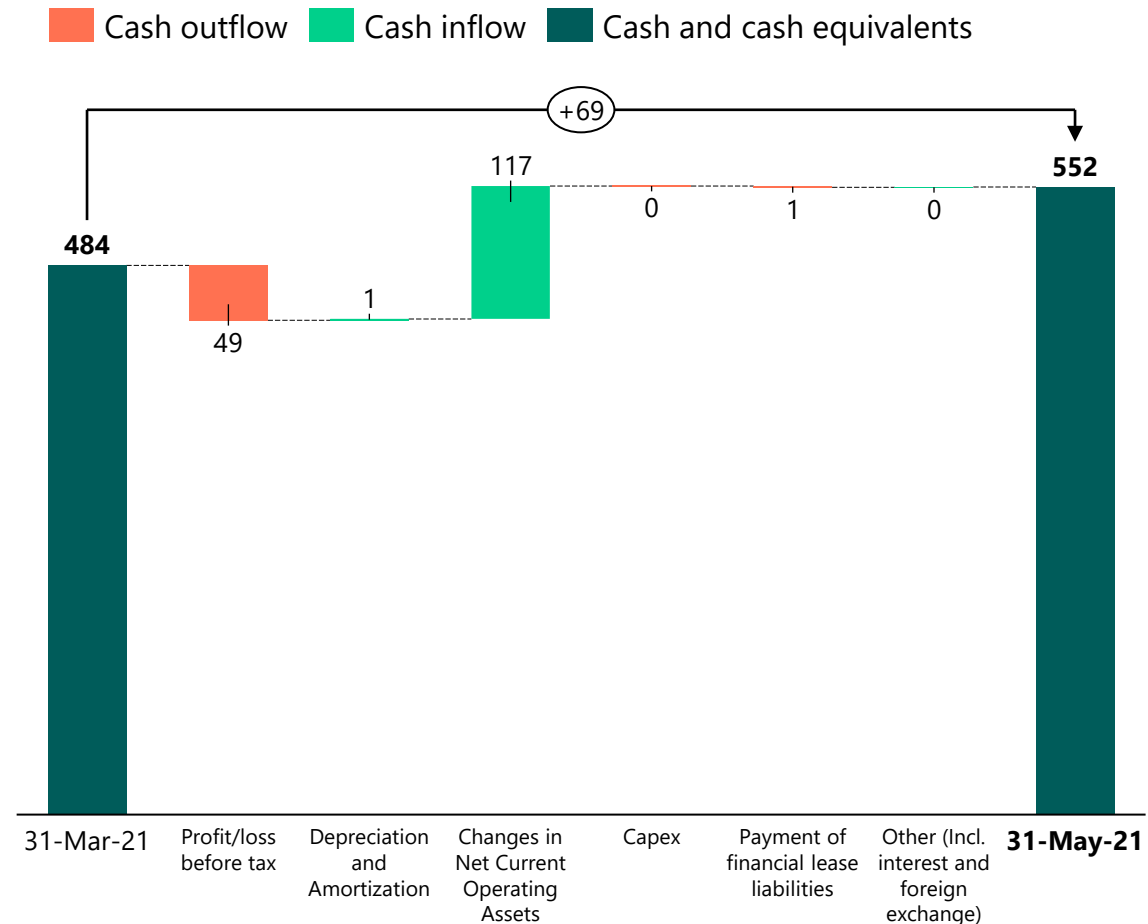
Revenue and EBITDA NOK million



- Second quarter **Revenue** ended at NOK 69 million which was an increase of NOK 6 million compared to the previous quarter
 - Mainly driven by the Norcem Brevik CCS EPC project which is progressing as planned
 - In addition, FEED and feasibility studies contributed in the period
- Second quarter **EBITDA** ended at negative NOK 47 million which was a decrease of NOK 24 million compared to the previous quarter
 - Mainly driven by increased activity related to sales and tenders, technology development, digitalization, and growth and Oslo Stock Exchange listing
 - 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

Q2 2021 | Cash flow

Cash flow development NOK million



- Cash outflow related to loss before tax in the second quarter of 2021 ended at NOK 49 million
- Net Current Operating Assets ended the second quarter at negative NOK 176 million which represented a cash inflow of NOK 117 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 coming two quarters
- CAPEX, payment of financial lease liabilities and other items represented an outflow of NOK 1 million in the second quarter
- Cash and Cash Equivalents ended the second quarter at NOK 552 million



Q&A

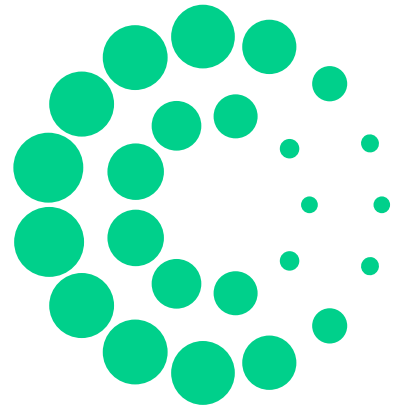
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CAPTURE**



Appendices

P&L ● Balance sheet ● Cash flow

Condensed consolidated income statement and other comprehensive income

Consolidated statement for the period Jan 1 to Jun 30

Amounts in NOK thousand

	1H 2021
Revenues	132,770
Operating expenses	(202,626)
Operating profit before depreciation, amortisation and impairment	(69,856)
Depreciation, amortisation and impairment	(2,669)
Operating profit (loss)	(72,524)
Net financial items	141
Profit (loss) before tax	(72,384)
Tax benefit (expense)	-
Profit (loss) for the period	(72,384)
Other comprehensive income	-
Total comprehensive income (loss)	(72,384)
Earnings (loss) per share in NOK (basic and diluted)	(0,13)



Condensed consolidated balance sheet

Assets

<i>Amounts in NOK thousand</i>	<i>30 June 2021</i>	<i>31 December 2020</i>
Non-current assets		
Property, plant and equipment	3,606	2,610
Right-of-use assets	10,673	13,184
Intangible assets	3,884	3,792
Total non-current assets	18,162	19,586
Current assets		
Trade and other receivables	239,468	7,196
Cash and cash equivalents	552,452	457,699
Total current assets	791,920	464,896
Total assets	810,082	484,481

Equity and liabilities

<i>Amounts in NOK thousand</i>	<i>30 June 2021</i>	<i>31 December 2020</i>
Equity		
Share capital	566,060	566,060
Other paid-in capital	(186,584)	(114,200)
Total equity	379,476	451,860
Non-current liabilities		
Pension liabilities	2,981	2,849
Non-current lease liabilities	6,508	9,272
Total non-current liabilities	9,489	12,121
Current liabilities		
Current lease liabilities	5,877	4,908
Trade and other payables	415,239	15,592
Total current liabilities	421,116	20,500
Total equity and liabilities	810,082	484,481

Condensed consolidated statement of cash flow



<i>Amounts in NOK thousand</i>	1H 2021
Profit (loss) before tax	72,384
<i>Adjustment for:</i>	
Amortisation and depreciation	2,669
Accrued interest and foreign exchange	336
Changes in net current operating assets	167,508
Cash flow from operating activities	98,129
Acquisition of property, plant and equipment	(1,153)
Payments for capitalised development	(92)
Cash flow from investing activities	(1,245)
Payment of finance lease liabilities	(2,131)
Cash flow from financing activities	(2,131)
Net cash flow in the period	94,753
Cash and cash equivalents at the beginning of the period	457,699
Cash and cash equivalents at the end of the period	552,452