

Q3 2023

26 October 2023

Egil Fagerland, Chief Executive Officer

David Phillips, Head of Capital Markets

Agenda

Introduction and third quarter highlights

Operations

Delivery models

Financials

Way forward

Q&A

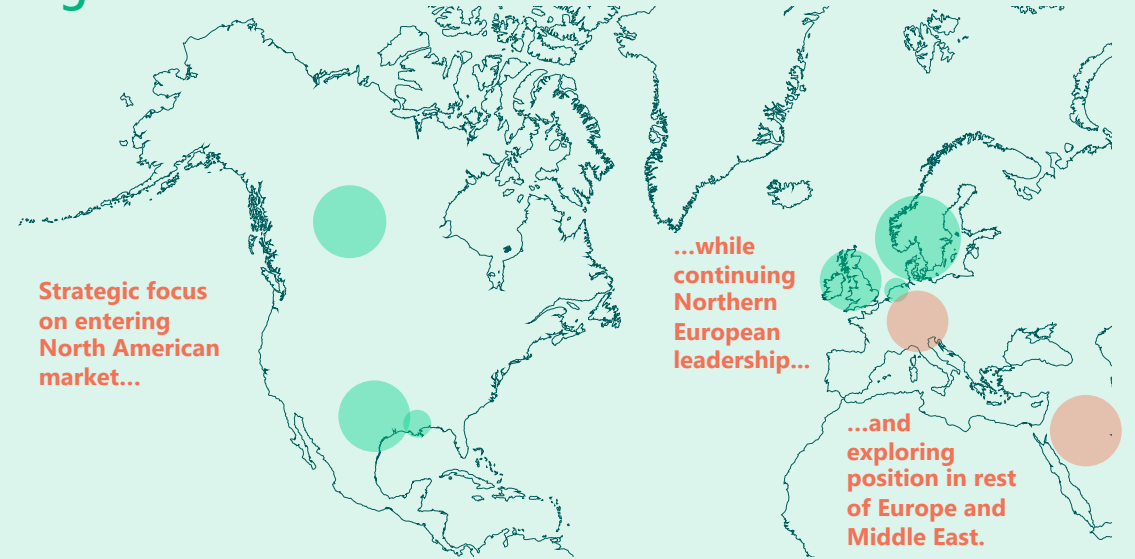
Aker Carbon Capture in brief

Pure play carbon capture company offering modular and configurable capture units

Best-in-class HSE friendly and proprietary patented technology for optimized plant performance

Proven market-leading proprietary technology with over 60,000 operating hours and seven carbon capture units being delivered

Key regions



Prioritized industries



CEMENT



BIO/WASTE-TO-ENERGY



GAS-TO-POWER



BLUE HYDROGEN

...and engagement with new industry segments like refining and process industries



Twence carbon capture facility

Highlights

Market

- Significant growth in pre-FEEDs and studies with order intake year to date of around 9 million tonnes of CO₂ per year
- Signed Memorandum of Understanding (MoU) with Saudi Aramco
- Strengthened the modular product portfolio with launch of Just Catch™ 400

Projects

- Twence CCU: commissioning started
- Brevik CCS: first heavy lift campaign completed
- Ørsted CCS: container fabrication started
- UK Track 1 projects in final negotiations for governmental support

Financials

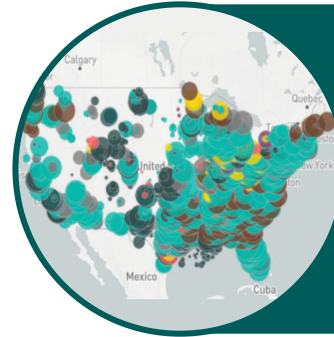
- Strong backlog (NOK 3.0 billion), continued revenue growth (116% YoY) and solid cash position (NOK 1.3 billion)
- Julie Berg appointed as CFO, starting 1 December 2023

Significant growth in pre-FEEDs and studies



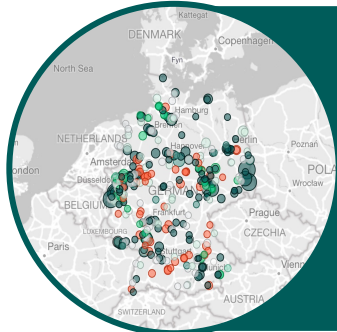
Pre-FEED for a Swedish energy company

- Based on Just Catch™
- Targeted emissions of 200,000 tonnes CO₂ per year



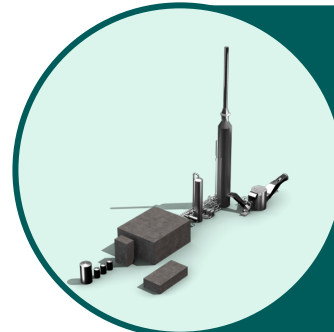
Study for mineral production facilities in the US

- Big Catch™ study
- Targeted combined emissions of 1.5 million tonnes CO₂ per year



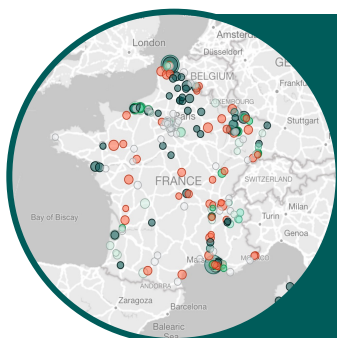
Study for biomass plant in Germany

- Just Catch™ study for biomass combined heat and power facility
- Targeted biogenic emissions of 250,000 tonnes CO₂ per year



Pre-FEED for European energy company

- Multiple power generation facilities in Europe, based on Big Catch™ offering
- Potential of CO₂ capture of up to 14 million tonnes per year



Study for waste-to-energy player in France

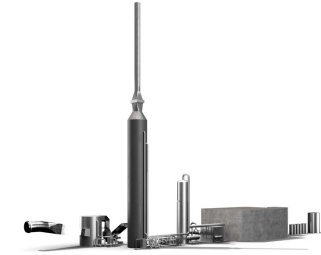
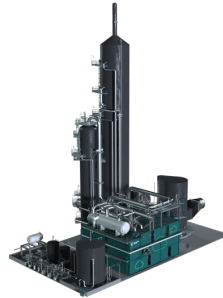
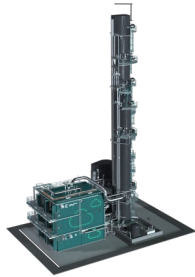
- Based on two Just Catch™ 100
- Targeted emissions of 200,000 tonnes CO₂ per year



Research and development

- DemoBECCS project: new solvent screening in collaboration with DTU
- MeDORA project: solutions to mitigate solvent degradation in collaboration with SINTEF
- NL+ project: development of carbon accounting methodologies

Order intake year to date over 9 million tonnes CO₂ per year



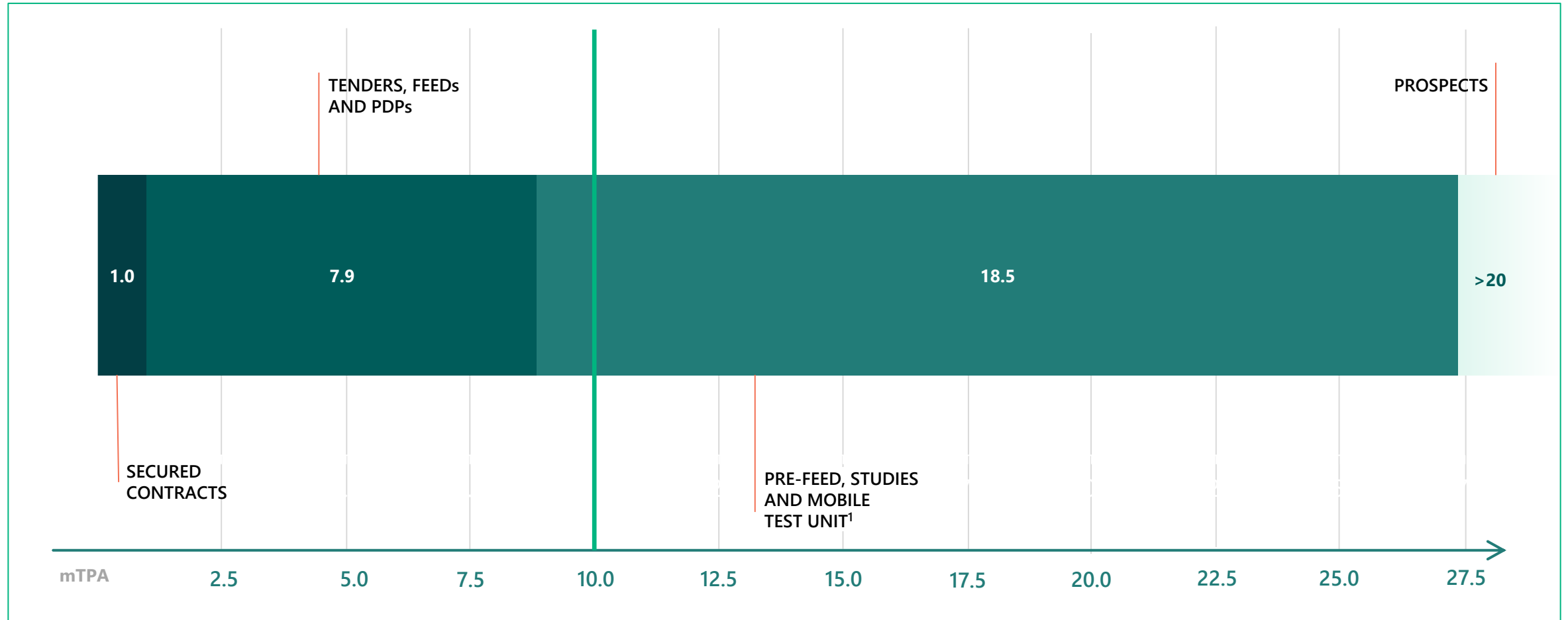
		Just Catch™ 100	Just Catch™ 400	Just Catch Offshore™	Big Catch™	TOTAL
SUPPLY AGREEMENT/ LICENCE & KEY EQUIPMENT ¹	No. of units	5 units	0	0	0	5 units
	CO ₂ volume	500,000 TPA	0	0	0	500,000 TPA
PRE FEEDS/MTU ²	No. of units	4 units	0	0	1 unit	5 units
	CO ₂ volume	400,000 TPA	0	0	2,000,000 TPA	2,400,000 TPA
STUDIES	No. of units	10 units	5 units	2 units	4 units	21 units
	CO ₂ volume	1,000,000 TPA	2,000,000 TPA	780,000 TPA	2,600,000 TPA	6,380,000 TPA
TOTAL		19 units 1,900,000 TPA	5 units 2,000,000 TPA	2 units 780,000 TPA	5 units 4,600,000 TPA	31 units 9,280,000 TPA

¹ Note that only development contracts (i.e. supply agreements and license & key equipment agreements, carbon capture as a service agreements) count towards the 10 million tonnes CO₂ per year in 2025 target

² Not including recently awarded work that is yet to commence

TPA = tonnes CO₂ per annum

Continued pipeline development towards 10 in 25



Aker Carbon Capture and Aramco to explore CCUS partnership opportunities

- The MoU will focus on carbon emissions reduction and removal through CCUS by offering modular carbon capture plants and aftermarket services
- The parties also aim to assess the potential for developing local supply chains and module fabrication
- Saudi Arabia targets CCUS of 9 million tonnes CO₂ per year from 2027, expanding to 44 million tonnes CO₂ per year by 2035

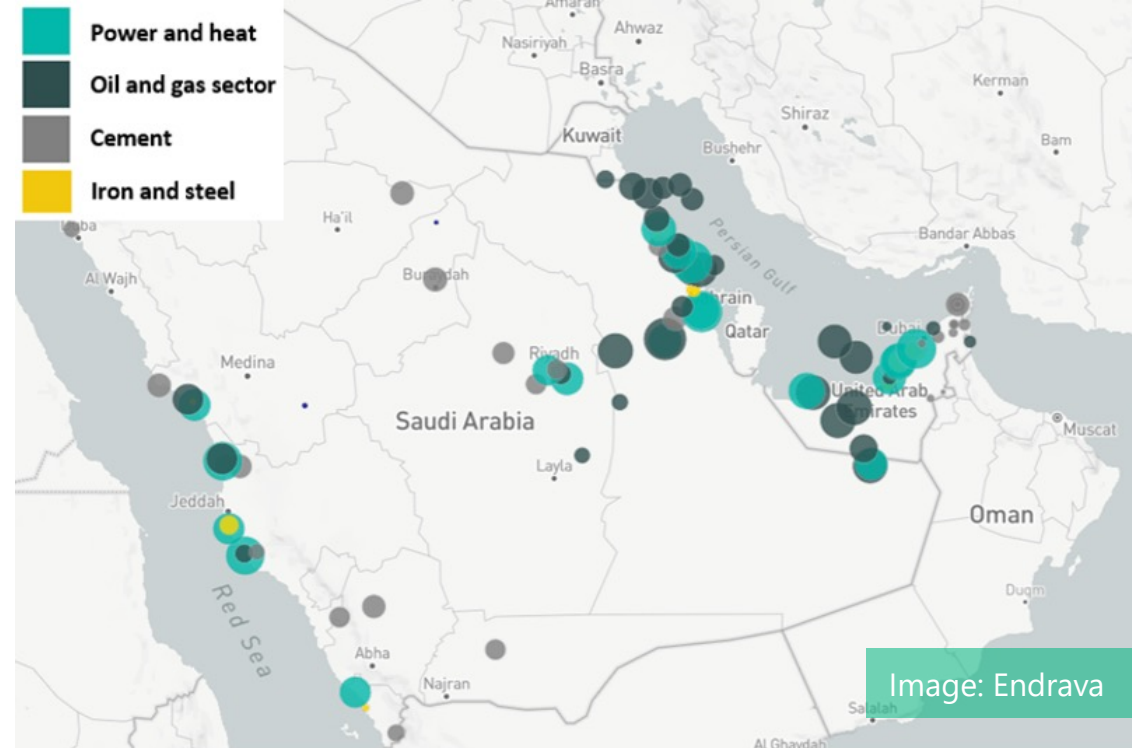


Image: Endrava



Operations



WASTE TO ENERGY TWENCE CCU Netherlands

- Capturing 100,000 tonnes CO₂ per year
- First of a kind modular carbon capture project on track
- All equipment and piping installed
- Commissioning started
- CO₂ will boost local greenhouse production

December 2021
SIGNED CONTRACT

October 2023
EQUIPMENT INSTALLED
AND COMMISSIONING
STARTED

End 2023
PLANNED
DELIVERY

HEIDELBERG MATERIALS SEMENT NORGE BREVIK CCS

Norway

- 400,000 tonnes CO₂ per year capture and liquefaction plant
- First heavy lift campaign completed including absorber, storage tanks and key modules
- Creating local employment and strong partnerships
- CO₂ transport by ship to permanent storage as part of Northern Lights



2020
PROJECT START

September 2023
FIRST HEAVY LIFT CAMPAIGN
COMPLETED

2024
PLANNED
DELIVERY



Avedøre Power Station, image: Ørsted

ØRSTED KALUNDBORG CCS

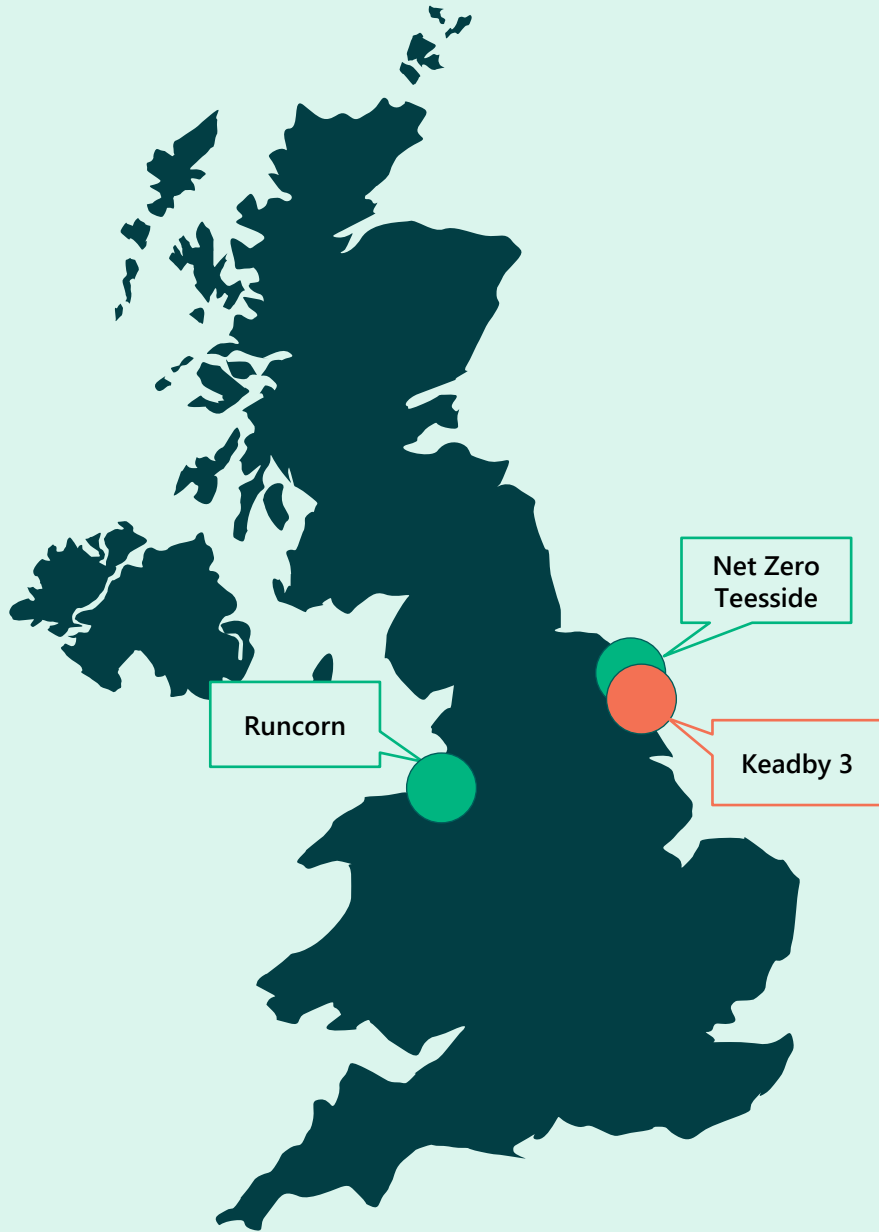
Denmark

- Design capture capacity of 500,000 tonnes CO₂ per year
- Container fabrication started
- Five Just Catch™ units at wood chip-fired Asnæs Power Station and straw-fired Avedøre Power Station
- First full-scale CCS value chain in Denmark, delivered by Ørsted, Aker Carbon Capture, Microsoft and Northern Lights

May 2023
CONTRACT AWARD

September 2023
CONTAINER FABRICATION
STARTED

End 2025
PLANNED DELIVERY



Flagship projects in the UK

Track-1 Clusters

Now in final negotiations for funding

- bp Net Zero Teesside Power FEED
 - Design capacity of 2 million tonnes of CO₂ per year
 - Carbon capture partner to a consortium of Aker Solutions, Siemens Energy and Altrad Babcock
- Viridor's waste-to-energy Runcorn CCS pre-FEED
 - Planned capacity of 1 million tonnes of CO₂ per year

Awaiting Track-1 cluster expansion process

- SSE Keadby 3 Carbon Capture Power Station FEED
 - Design capacity of 2 million tonnes of CO₂ per year

£20 billion UK CCUS infrastructure funding
Ambition of 20-30 Mt CO₂ per year capture by 2030

Delivery models



Just Catch™ 400

Strengthening modular product portfolio

- Capture capacity of 300,000 to 450,000 tonnes CO₂ per year
- Optimized to deliver high energy efficiency
- Small optimized footprint, ~30 x 55m


Key features

- Delivered as a modular carbon capture plant
- Prefabricated and completed modules for rapid installation
- Optimized delivery time

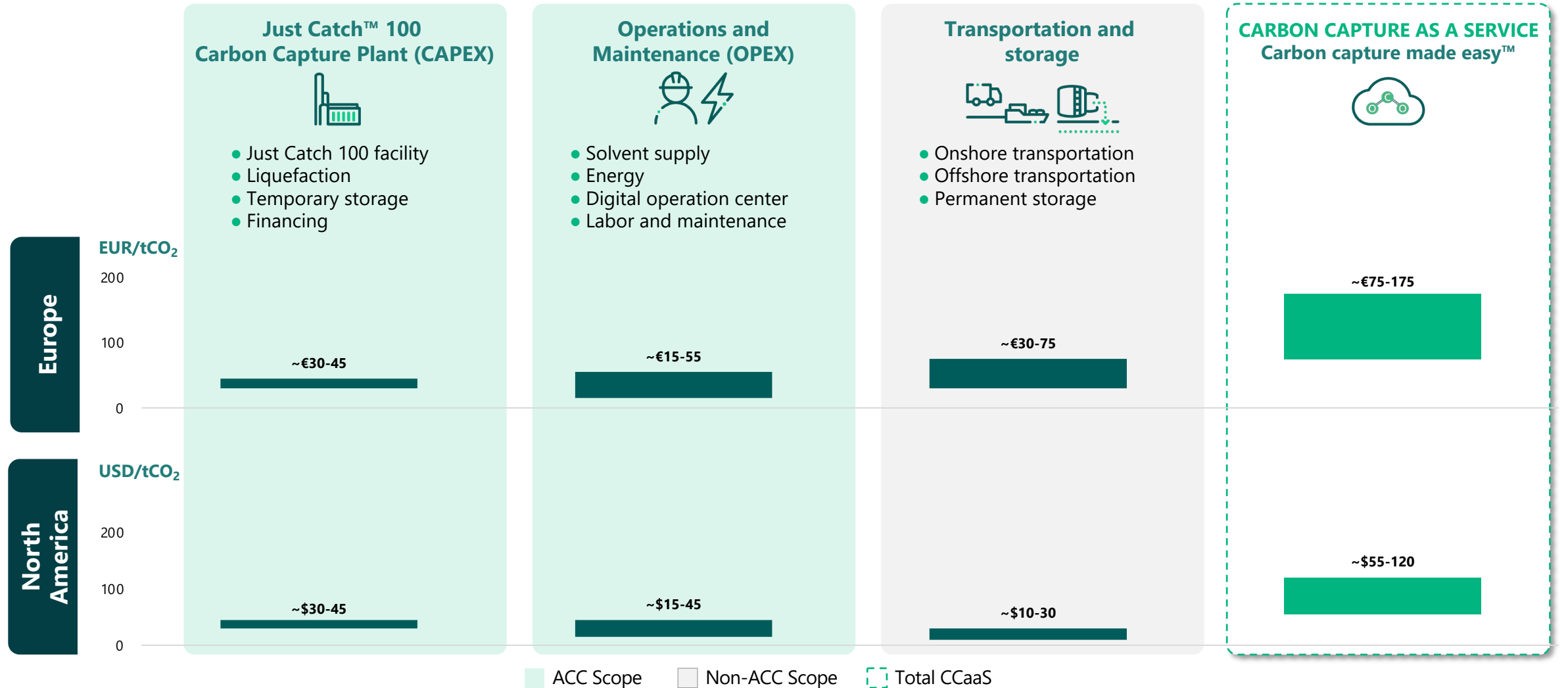
Enabled **by modular design principles**

Ongoing studies covering 5 units across Europe and US

A wide range of offerings and delivery models

	 <p>Just Catch™ 40 Capacity: 40 ktpa Delivery time: <22 months Footprint: ~13m x 23m Up to three units in parallel</p>	 <p>Just Catch™ 100 Capacity: 100 ktpa Delivery time: <24 months Footprint: ~19m x 24m Up to three units in parallel</p>	 <p>Just Catch™ 400 Capacity: 300-450 ktpa Delivery time: ~24 to 30 months Footprint: ~30m x 55m Up to three units in parallel</p>	 <p>Just Catch Offshore™ Capacity: 120 – 360 ktpa Delivery time: ~22 to 24 months Footprint: Varies as per selected capacity</p>	 <p>Big Catch™ Capacity: > 400 ktpa Delivery time ~36mths Footprint: Varies as per selected capacity and shape of available land</p>
SUPPLY AGREEMENT (EPC)	✓	✓	✓	✓	✗
LICENSE AND KEY EQUIPMENT	✗	✗	✗	✓	✓
AFTERMARKET AND SOLVENT SUPPLY	✓	✓	✓	✓	✓
CARBON CAPTURE AS A SERVICE	✓	✓	✓	✗	✗

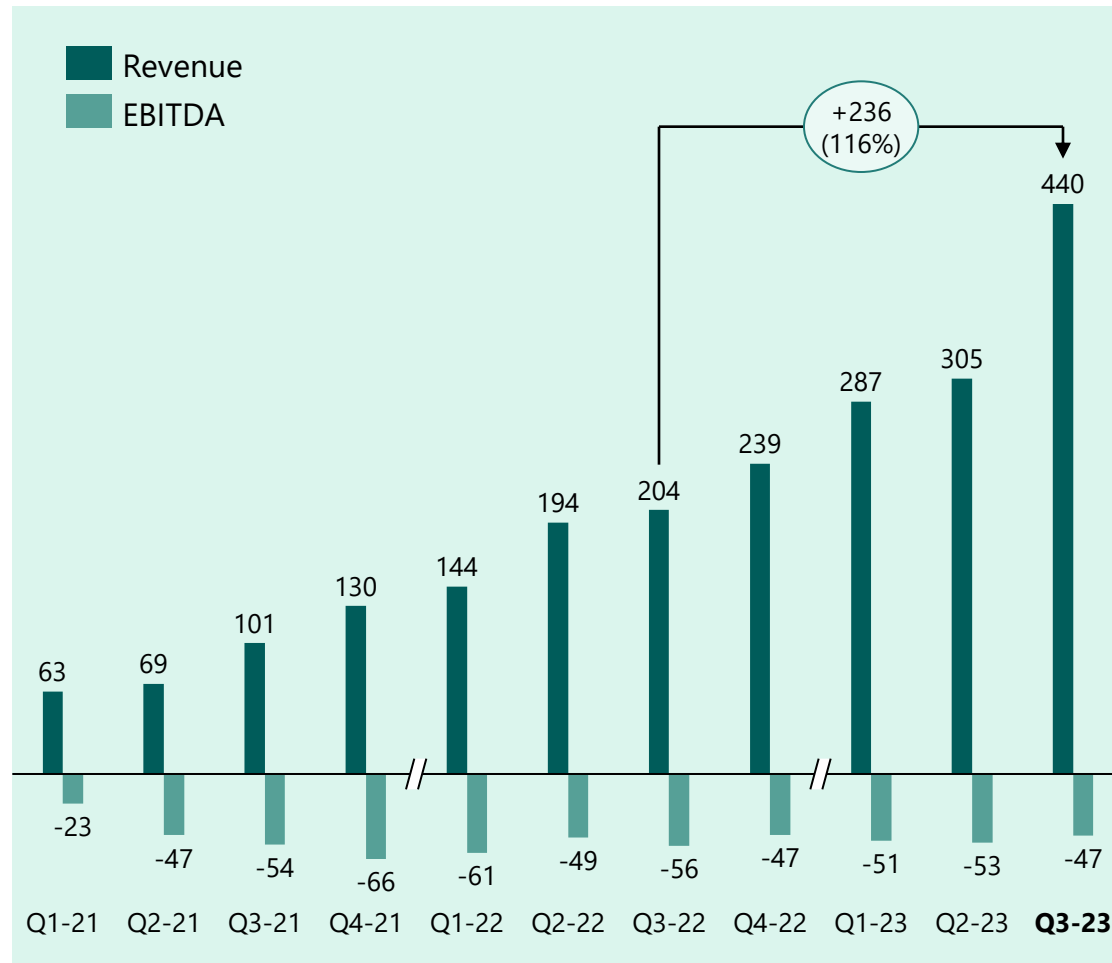
Indicative levelized cost of Carbon Capture as a Service



Financials

Third quarter 2023 | Income statement

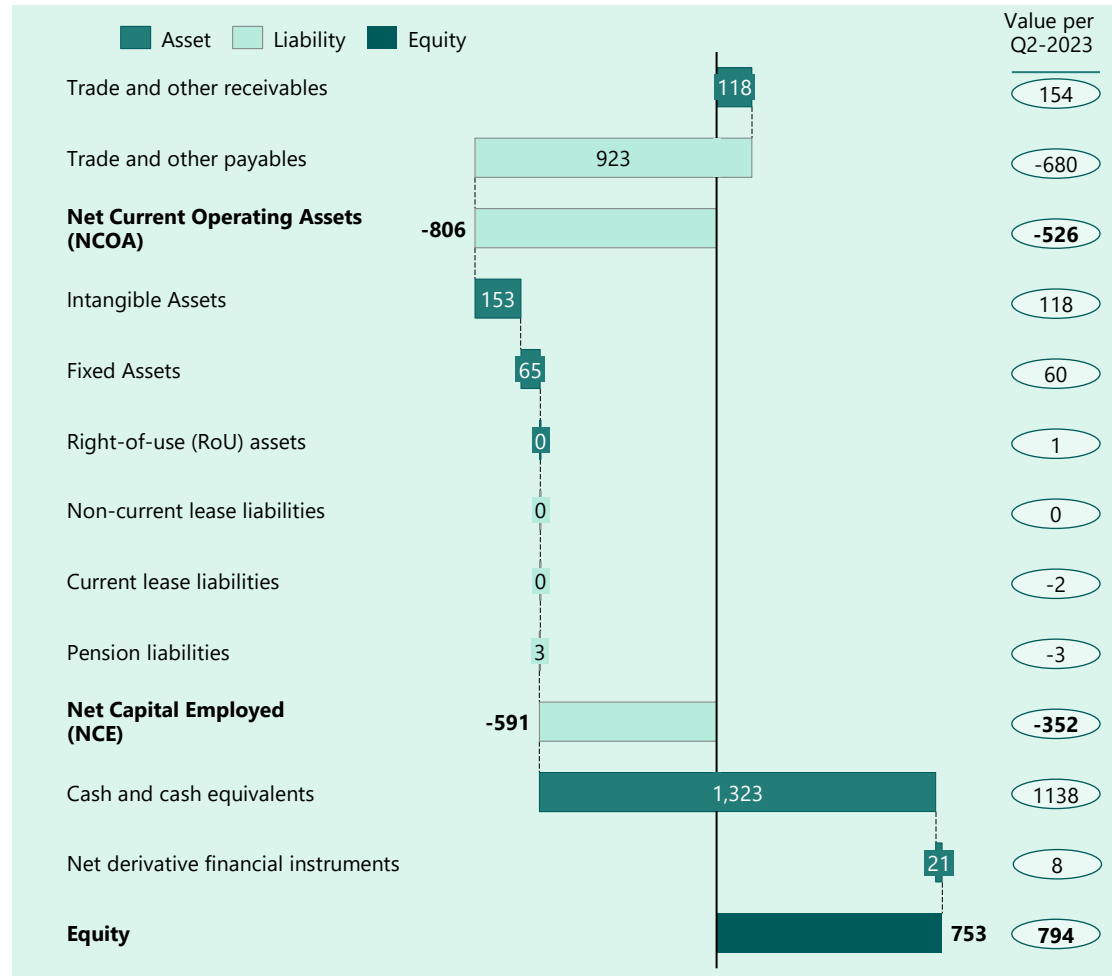
Revenue and EBITDA NOK million



- **Revenue** ended at NOK 440 million which was NOK 236 million higher compared to the same period last year. The increase is mainly driven by ongoing Big Catch™ and Just Catch™ projects
- **EBITDA** ended at negative NOK 47 million which was NOK 9 million better than the same period last year
 - Profit has not yet been recognised for Ørsted Kalundborg CCS. Profit will be recognized when cost estimates in the project reaches a high level of certainty¹
 - Positive contribution from ongoing Big Catch and Just Catch projects, FEEDs, pre-FEEDs and studies
 - The overall negative EBITDA continued to be driven by high sales, tender activity, North America entry, and R&D activities

Third quarter 2023 | Balance sheet

Balance sheet NOK million

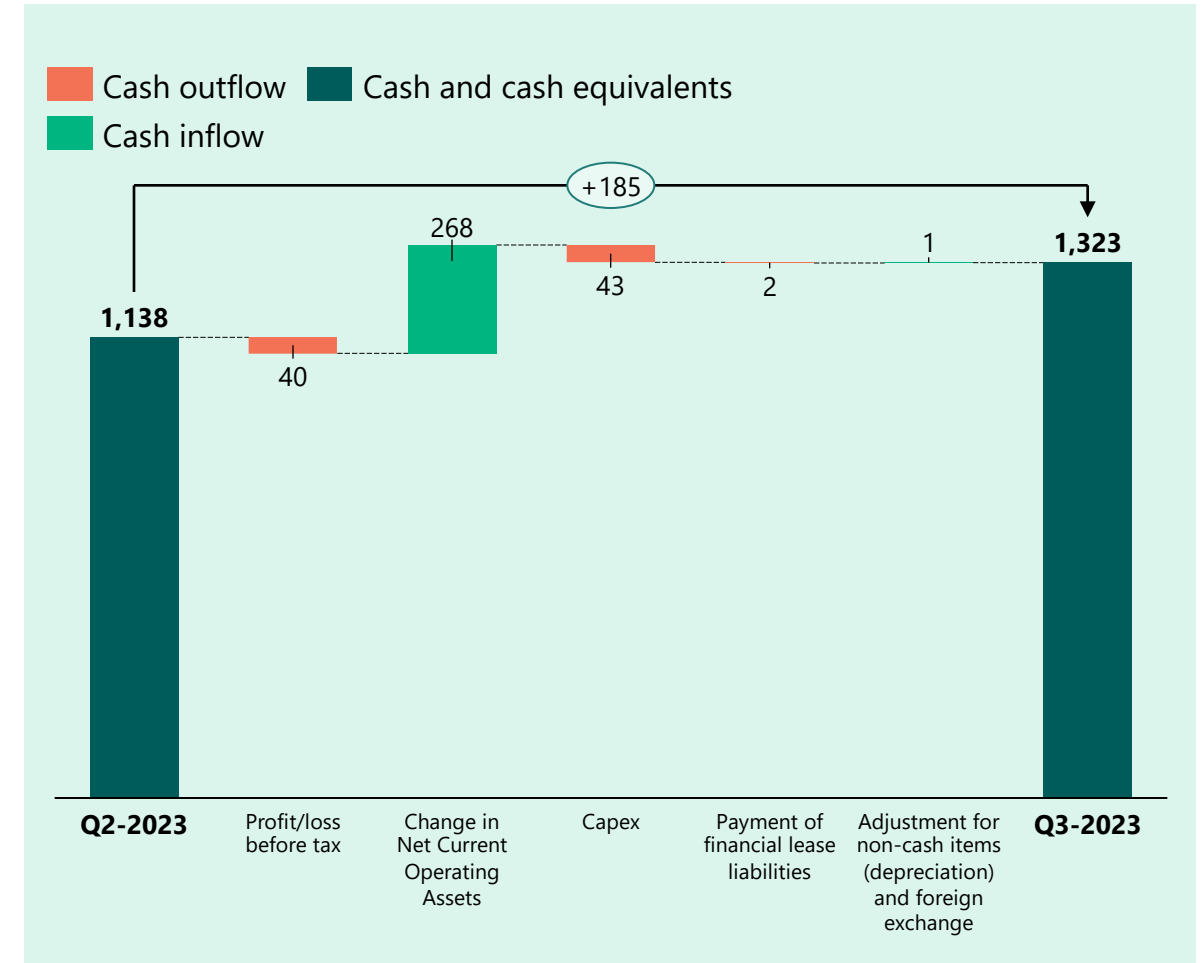


- **Net Current Operating Assets** (net working capital) ended at negative NOK 806 million which represents a strong positive cash position on key projects
- NOK 591 million negative **Net Capital Employed** signalling that the business' operating capital is currently funded by project working capital
- Healthy **Cash and cash equivalents** balance at NOK 1.3 billion which covers all liabilities 1.4 times
- Strong **Equity** position at NOK 0.8 billion

Third quarter 2023 | Cash flow

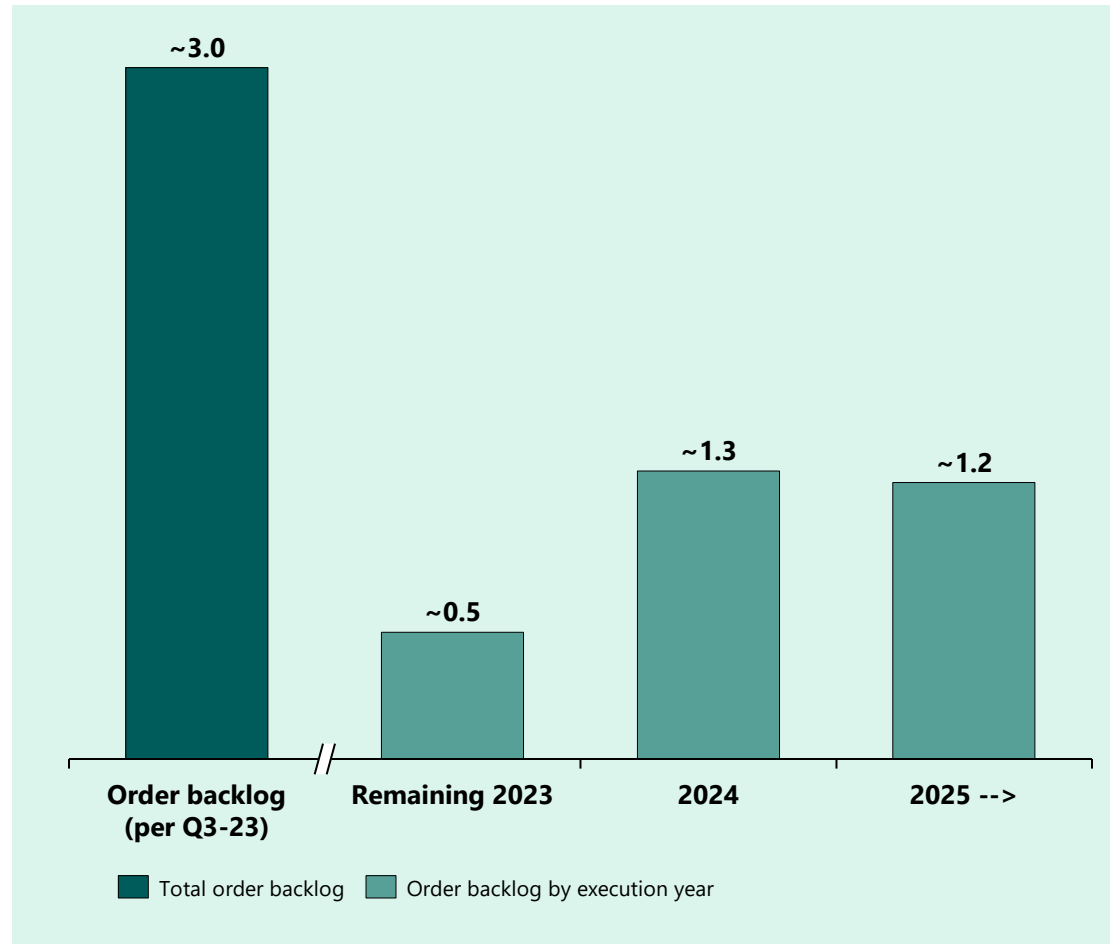
- The quarter ended with an overall cash inflow of NOK 185 million
 - Loss before tax of negative NOK 40 million
 - Inflow of NOK 268 million related to change in Net Current Operating Assets mainly related to milestone payments on key projects
 - CAPEX of NOK 43 million was mainly related to product development and the construction of a new Mobile Test Unit
 - Payment of financial lease liabilities and adjustment for other non-cash items was net negative and represented NOK 1 million
- Cash and cash equivalents ended the quarter at NOK 1,323 million

Cash flow development NOK million



Financial outlook

Order backlog by execution year NOK billion

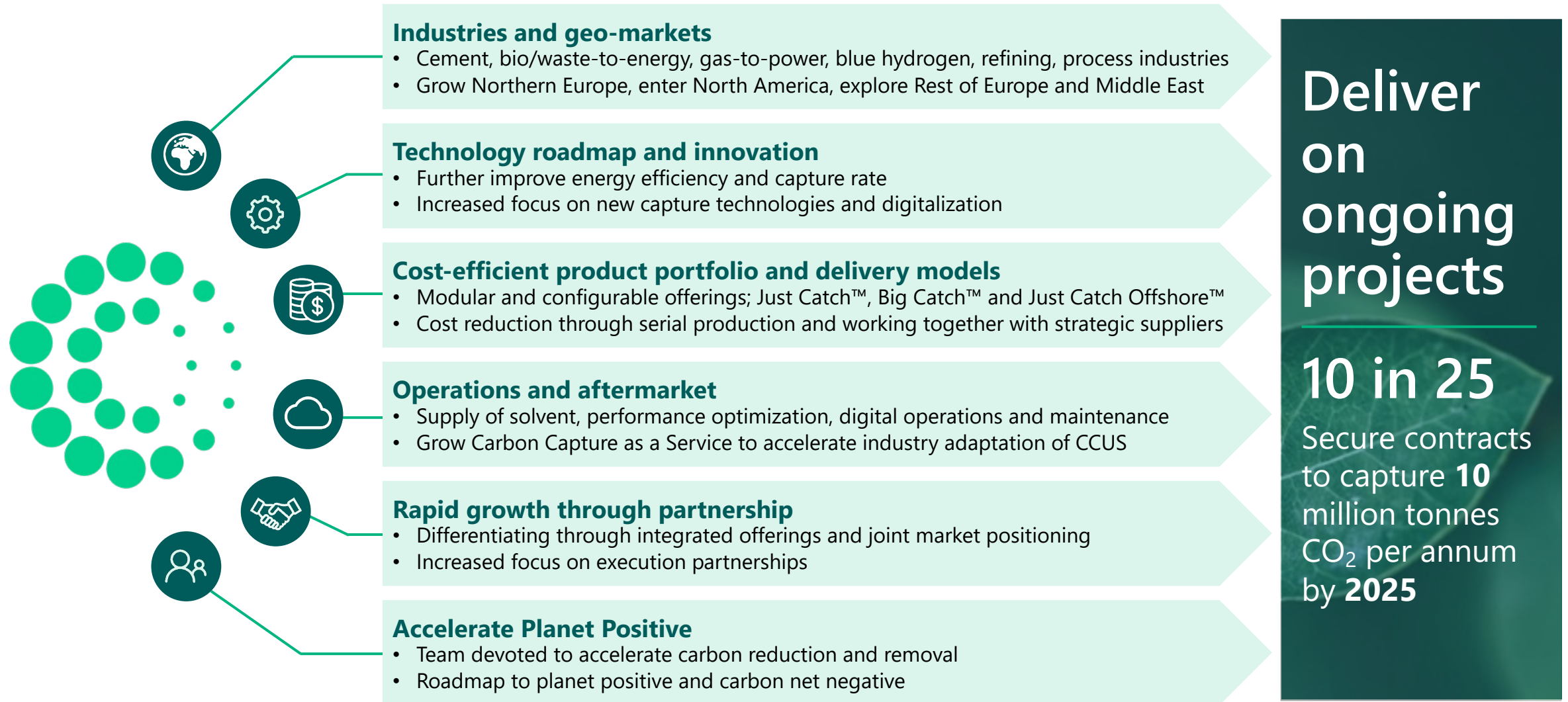


Financial outlook

- Positive impact on gross profit margin when profit is recognized for Ørsted Kalundborg CCS¹
- Serial delivery of Just Catch™ units on the back of Twence CCU and Ørsted Kalundborg CCS is expected to drive improved profit margins through the backlog execution period
- Increased conversion of tenders, FEEDs, pre-FEEDs and studies to development contracts expected through backlog execution period
- Other operating expenses expected to remain around current levels through the next 6-12 months
- Capex expected to remain around current levels through the next 6-12 months
- Current cash position of NOK 1.3 billion expected to trend to around NOK 1.0 billion until year-end

Summary

Accelerating planet positive through carbon reduction and removal





Q&A

Appendices

P&L | Balance sheet | Cash flow | Sustainability

Condensed consolidated income statement

<i>Amounts in NOK thousand</i>	Full year 2021	Q1 2022	Q2 2022	Q3 2022	Full year 2022	Q1 2023	Q2 2023	Q3 2023
Revenues	363,177	144,319	193,640	203,613	780,863	287,283	305,495	439,564
Materials, goods and services	(332,814)	(129,170)	(171,708)	(183,284)	(705,807)	(261,631)	(278,150)	(415,511)
Salary and other personnel costs	(92,102)	(34,135)	(38,357)	(44,574)	(152,140)	(52,615)	(56,143)	(52,928)
Other operating expenses	(128,104)	(41,689)	(32,159)	(31,353)	(134,663)	(24,408)	(24,383)	(18,612)
EBITDA	(189,843)	(60,675)	(48,584)	(55,597)	(211,746)	(51,372)	(53,181)	(47,487)
Depreciation	(5,346)	(2,597)	(3,014)	(2,597)	(11,008)	(3,871)	(3,196)	(3,826)
Operating profit (loss)	(195,189)	(63,272)	(51,598)	(58,194)	(222,754)	(55,243)	(56,377)	(51,313)
Financial income	3,148	2,445	3,078	5,286	18,377	6,885	9,506	12,488
Financial expenses	(659)	(186)	(272)	(170)	(793)	(132)	(124)	(233)
Foreign exchange gain (loss)	399	998	(997)	1,503	1,097	(757)	480	(784)
Net financial items	2,889	3,257	1,808	6,618	18,682	5,996	9,862	11,471
Profit (loss) before tax	(192,301)	(60,015)	(49,790)	(51,576)	(204,072)	(49,246)	(46,515)	(39,842)
Income tax benefit (expense)	-	-	-	-	-	-	-	-
Net profit (loss)	(192,301)	(60,015)	(49,790)	(51,576)	(204,072)	(49,246)	(46,515)	(39,842)

Condensed consolidated balance sheet | Assets

<i>Amounts in NOK thousand</i>	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Non-current assets								
Intangible assets	11,292	12,256	26,722	57,453	73,152	97,469	117,845	152,567
Right-of-use assets	14,242	11,751	9,677	7,604	5,530	3,456	1,382	(0)
Property, plant and equipment	7,732	12,382	21,812	26,108	48,892	57,451	59,546	65,139
Total non-current assets	33,266	36,389	58,211	91,165	127,573	158,376	178,774	217,706
Current assets								
Trade and other receivables	255,306	153,686	40,366	50,171	75,668	40,042	154,244	117,649
Derivative financial assets	-	-	-	7,208	677	172	8,199	21,130
Cash and cash equivalents	1,321,270	1,485,257	1,451,912	1,372,880	1,092,669	1,348,241	1,137,853	1,322,620
Total current assets	1,576,576	1,638,944	1,492,279	1,430,258	1,169,013	1,388,455	1,300,296	1,461,399
Total assets	1,609,841	1,675,333	1,550,490	1,521,423	1,296,587	1,546,832	1,479,070	1,679,105

Condensed consolidated balance sheet | Equity and liabilities

<i>Amounts in NOK thousand</i>	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023
Equity								
Share capital	604,242	604,242	604,242	604,294	604,242	604,290	604,242	604,242
Other equity and reserves	472,034	411,064	362,581	318,286	273,597	229,437	189,759	148,592
Total equity	1,076,276	1,015,307	966,823	922,580	877,839	833,727	794,001	752,834
Non-current liabilities								
Pension liabilities	2,685	2,475	2,487	2,836	3,112	2,979	2,969	2,948
Non-current lease liabilities	6,091	3,545	1,273	-	-	-	-	-
Total non-current liabilities	8,775	6,020	3,760	2,836	3,112	2,979	2,969	2,948
Current liabilities								
Trade and other payables	515,076	644,292	570,193	587,106	409,279	706,129	680,491	923,322
Current lease liabilities	9,714	9,714	9,714	8,686	6,356	3,997	1,609	(0)
Derivative financial liabilities	-	-	-	215	-	-	-	-
Total current liabilities	524,790	654,006	579,907	596,007	415,635	710,126	682,100	923,322
Total equity and liabilities	1,609,841	1,675,333	1,550,490	1,521,423	1,296,587	1,546,832	1,479,070	1,679,105

Condensed consolidated statement of cash flow

<i>Amounts in NOK thousand</i>	Full year 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Full year 2022	Q1 2023	Q2 2023	Q3 2023
Profit before tax	(192,301)	(60,015)	(49,790)	(51,576)	(42,692)	(204,072)	(49,246)	(46,515)	(39,842)
<i>Adjustment for:</i>									
Amortisation and depreciation	5,346	2,597	3,014	2,597	2,799	11,008	3,871	3,196	3,826
Hedge adjustment, no cash flow effect	-	-	-	-	1,020	1,020	3,089	9,045	(3,111)
Changes in net current operating assets	243,039	229,186	40,663	7,721	(203,982)	73,589	331,084	(146,406)	267,880
Accrued interest and foreign exchange	596	1,284	(887)	128	196	721	910	(1,756)	846
Cash flow from operating activities	56,680	173,053	(6,999)	(41,130)	(242,658)	(117,734)	289,708	(182,435)	229,599
Acquisition of property, plant and equipment	(5,341)	(4,953)	(9,733)	(4,597)	(23,290)	(42,573)	(6,379)	(3,936)	(6,468)
Payments for capitalized development	(7,769)	(1,184)	(14,686)	(30,952)	(15,919)	(62,741)	(27,351)	(20,597)	(36,248)
Cash flow from investing activities	(13,110)	(6,137)	(24,419)	(35,549)	(39,209)	(105,314)	(33,730)	(24,533)	(42,716)
Payment of finance lease liabilities	(4,888)	(2,429)	(2,787)	(2,429)	(1,804)	(9,448)	(2,359)	(2,388)	(1,609)
Share issue, net of transaction costs	824,888	-	-	-	-	-	-	-	-
Cash flow from financing activities	820,000	(2,429)	(2,787)	(2,429)	(1,804)	(9,448)	(2,359)	(3,379)	(1,609)
FX revaluation of cash	-	(499)	862	74	3,460	3,896	1,953	(41)	(506)
Net cash flow	863,571	163,988	(33,344)	(79,033)	(280,211)	(228,601)	255,572	(210,388)	184,767
Cash and cash equivalent at the beginning of the period	457,699	1,321,270	1,485,257	1,451,913	1,372,880	1,321,270	1,092,669	1,348,241	1,137,853
Cash and cash equivalent at the end of the period	1,321,270	1,485,257	1,451,913	1,372,880	1,092,669	1,092,669	1,348,241	1,137,853	1,322,620

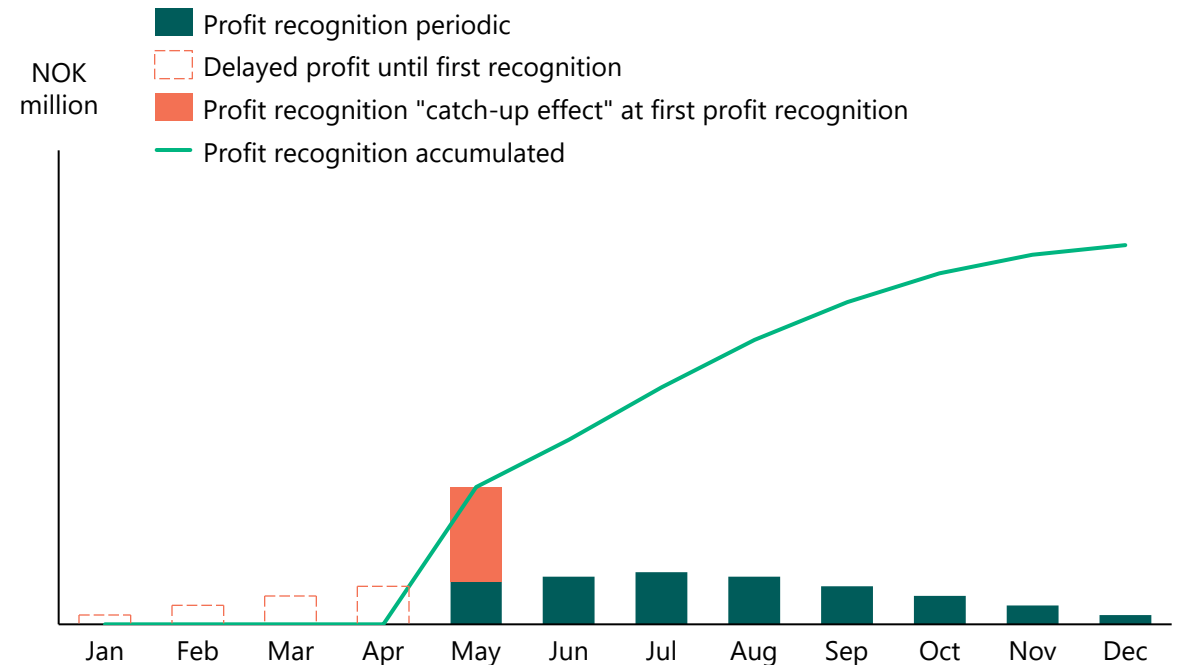
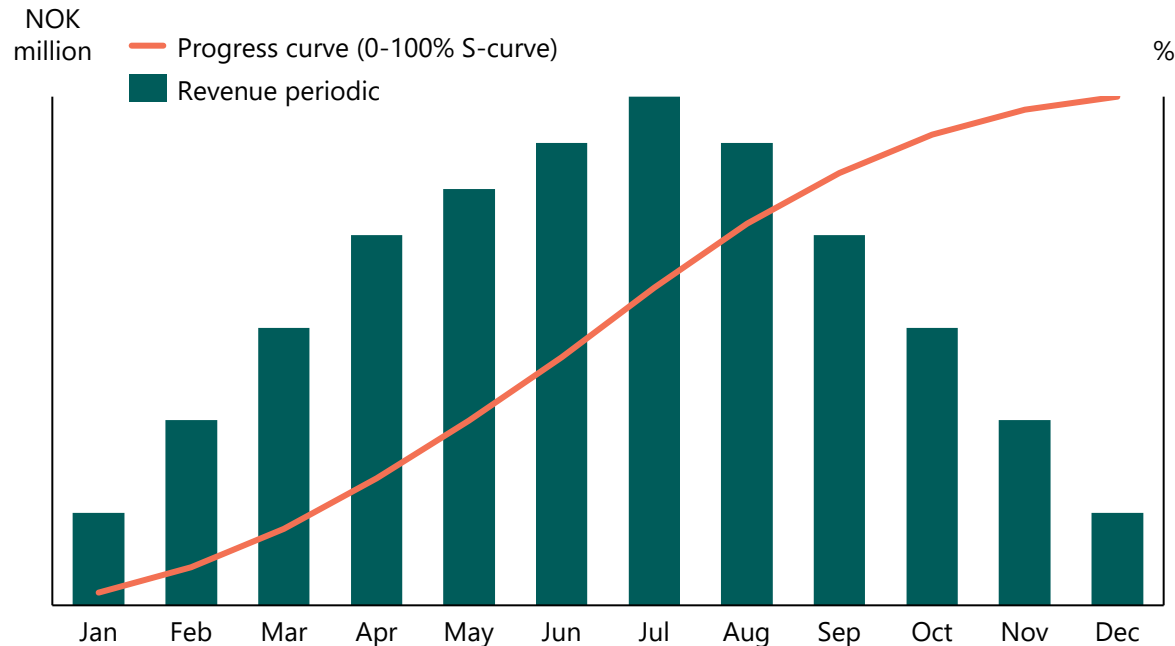
Project accounting | Recognition of profit versus revenue

Revenue recognition

- Revenue from projects is recognized according to incurred cost progress over time, typically following an S-curve completion schedule
- The input method used to measure cost progress over time is a reference to the costs incurred to date, relative to the total estimated contract cost

Profit recognition

- There is no profit recognition until project cost estimates can be measured reliably
- Project costs are normally judged to be measured reliably once major steps in the schedule are reached, such as (1) major purchase orders placed, and/or (2) when details of site installation works are confirmed
- The process usually involves some level of "catch-up effect" at the start of profit recognition



Sustainability focus areas

STRATEGIC TARGETS

Along with the absolute volume of carbon captured there are two important targets for Aker Carbon Capture:



Carbon intensity to be improved by 50% by 2030



Reaching net negative by 2030

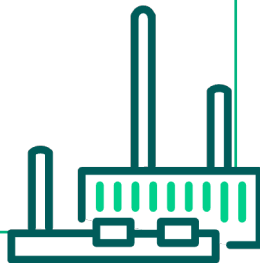
Current Carbon intensity¹

Just Catch™



Capture phase: 0.2%

Big Catch™

Capture phase: 1.6%



ACTIONS TOWARDS 2030

-  Emissions will be reduced through execution, technological, and commercial initiatives such as:
 -  Improve capture rate and energy efficiency
 -  Supply chain engagement, e.g. low carbon materials and reduction targets
 -  Strategic partner engagement, e.g. transport and storage
 -  Purchase of Guarantee of Origin of renewable power
-  Focus on carbon removals including offsetting residual emissions.

HIGHLIGHTS

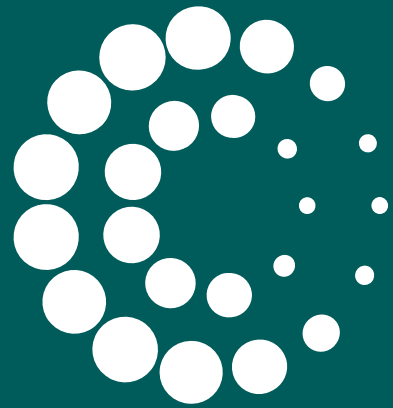


Founding members through Aker ASA. Creates predictability around demand for sustainable and low-carbon materials and products.



We have issued our commitment-letter and moving forward we will collaborate with Science-Based Target initiative to get our targets approved.

¹ NB: Carbon intensity defined as: tCO₂ emitted/tCO₂ captured



AKER CARBON
CAPTURE

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