

# **Interim report Q2 and first half 2024**



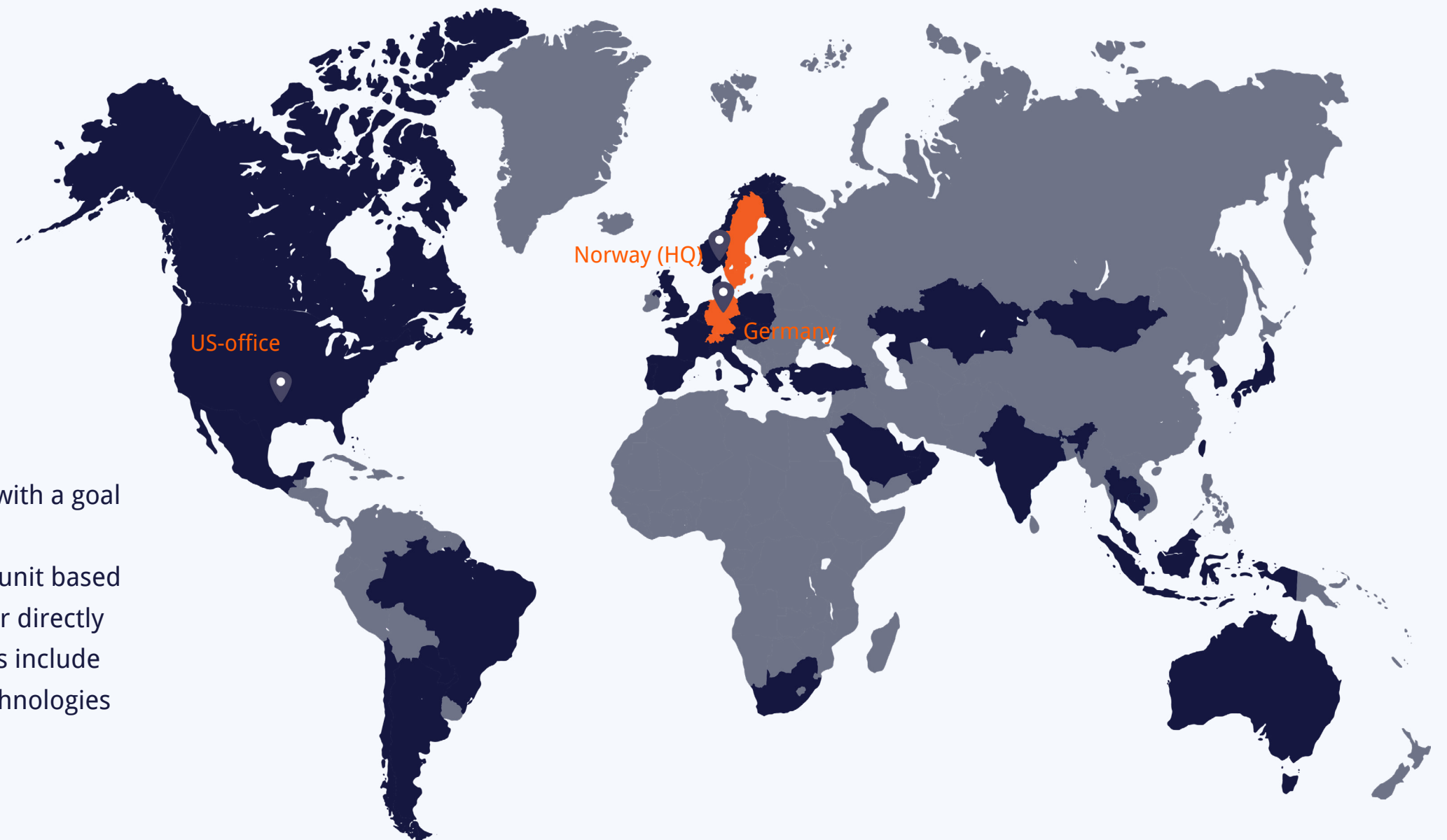


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# Accelerating the transition to a net zero future

## About Capsol Technologies

Capsol Technologies ASA is a carbon capture technology provider with a goal of accelerating the transition to a net zero future. The technology combines inherent heat recovery and generation in a stand-alone unit based on a proven and safe solvent. Capsol's technology is licensed either directly to customers or through industrial partners globally. Key segments include cement, biomass, energy-from-waste and gas turbines. Capsol Technologies is listed on Euronext Oslo Børs (ticker: CAPSL).



■ CapsolGo® and licenses ■ Studies and project leads

# A portfolio of technologies to meet large emitters' needs



## CapsolGo®

Description

Mobile demonstration unit with all-inclusive service package.

Rationale

Accelerate investment decision for full-scale carbon capture plant.

Capacity

Up to 700 tons CO<sub>2</sub>/year.

Electricity consumption

N/A

Target segments

Demonstration projects for cement, biomass, energy-from-waste (EfW), power generation and large industrial facilities.

Contracts won

One unit currently operating in Sweden, one preparing for its next campaign in Latvia and one operating in Germany.



## CapsolEoP®

A full capture solution for CO<sub>2</sub>-emitting industries.

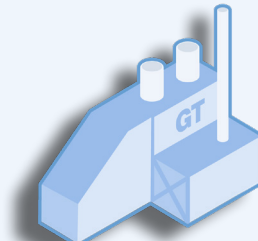
Offer an attractive solution for large-scale industrial CO<sub>2</sub>-emitters.

100,000+ tons CO<sub>2</sub>/year.

**0.5-1.5**  
(GJ per ton of CO<sub>2</sub> captured).

Cement, biomass, energy-from-waste (EfW), power generation and large industry facilities.

Technology license agreement with Stockholm Exergi for a bioenergy carbon capture and storage (BECCS) project. Final investment decision (FID) targeted end of 2024. Frame license agreement with large European utility with several waste-to-energy (WtE) and biomass plants (BECCS) and preliminary license agreement for EfW plant in Switzerland.



## CapsolGT®

Decarbonize hard-to-abate gas power.

Lower cost carbon capture for gas turbine plants that generates additional power.

12,000 - 400,000+ tons CO<sub>2</sub>/year.

N/A

Gas power plants (used for electricity production or other industrial purposes). Brought to market together with leading gas turbine suppliers, for example GE Vernova.

Delivered Pre-FEED (Front-end engineering and design) study by a leading gas turbine provider.

# Highlights in period

## Increased demand and target price range

- Revenues increased NOK 17 million in Q2 2024 and NOK 36.5 million for H1 2024, a year-over-year growth of around 3x, and 5.5x respectively.
- Mature project pipeline expanded to 13 million tons of annual CO<sub>2</sub> capture capacity, up 2x year-over-year driven by biomass/BECCS and increasingly cement in Europe.
- Target price range increased during the quarter to EUR 10-15 per ton installed CO<sub>2</sub> capture capacity, compared to EUR 7-12 per ton previously.
- Microsoft and Alphabet/Meta backed fund agreed to buy permanent carbon removals from Capsol client Stockholm Exergi; EU-approved Swedish funding mechanism in July 2024.

## High Q2 activity level; studies confirming highly competitive energy consumption

- Delivered two cement studies, for SCHWENK and Holcim, and four biomass/energy-from-waste studies during and post quarter.
- Recent studies in the cement industry have shown energy consumption numbers as low as 0.55 GJ/ton with limited plant integration, and as low as 0.25 GJ/ton CO<sub>2</sub> captured with more heat integration.

- Order for two CapsolGo® demonstration campaigns from SCHWENK in cement received in August 2024.
- Third CapsolGo® demonstration unit started operations at Växjö Energi's biomass plant in Sweden.
- Study delivered to a leading gas turbine provider confirmed that CapsolGT® can offer the industry's lowest carbon capture cost – and even be profit-generating for emitters.

## Entered North America and uplisted to Euronext Oslo Børs

- Successfully raised net proceeds of NOK 109 million in H1 2024, being deployed in attractive growth opportunities including new markets, new solutions and new revenue streams including establishing an operation in North America, commercialization of CapsolGT® and expanding the CapsolGo® fleet.
- Opened an office in North America to establish a position in the world's largest carbon capture and storage (CCS) market.
- Listed on Euronext Oslo Børs to make the stock more accessible to global investors.
- Current business plan fully funded with committed engineering work, demonstration campaigns and a NOK 92.6 million cash balance.

# Comment from CEO Wendy Lam

**“As one of very few listed pure-play carbon capture companies globally, Capsol Technologies offers lower costs, reduced project risk and easier permitting for large CO<sub>2</sub>-emitters. Capsol’s technology platform as an alternative to amine-based solutions is gaining traction.**



With a pipeline of mature projects exceeding 13 million tons of carbon capture capacity, we have established a strong position within biomass/BECCS and are responding to the growing demand for cement plants in Europe. Now, we are taking our highly scalable business model to North America where we opened our new office during Q2 2024.

With ambitious climate targets, attractive government-backed incentives, increased activity in voluntary carbon markets and rapid development of transport and storage capacity, North America and Europe continue to lead large-scale CCS deployment.

To cut emissions in half by 2030 and be on track for net zero in 2050, these two regions need to significantly ramp up CCS capacity. At least 200 million tons of CO<sub>2</sub> capture annually must come on stream in the coming 5-6 years in an accelerating pace, meaning the capacity sanctioned will have to be several times that. Almost two-thirds of the capacity is expected in North America, underscoring the importance of establishing a position in this market.

In terms of industries, we’re seeing three waves of demand. The first wave, biomass/BECCS, experienced increased governmental support during Q2 2024 from Sweden to the US through the initiation of programs to support carbon removal. In addition, record-large carbon removal deals were struck with corporations aiming to offset their scope 3 emissions. This includes Microsoft and The Frontier fund backed by Alphabet Inc. and Meta Platforms buying credits from Stockholm Exergi, where Capsol has been selected as a technology provider – and a final investment decision is expected before the end of 2024. Voluntary carbon credits are undoubtedly making CCS on biomass/BECCS projects more robust.

The second wave, cement, continues to be driven by the EU and the industry’s need for immediate lower cost decarbonization solutions. The EU is gradually increasing the carbon tax for the industry, including imports from other regions, which is expected to be fully implemented in 2026. This move has incentivized other regions to follow suit, including the UK which will implement its carbon border tax in 2027. In addition to biomass/BECCS and cement, we expect a third wave of demand from gas turbines.

With results from our first CapsolGT<sup>®</sup> pre-FEED study proving our technology’s performance and efficiency even in the most challenging environments, our gas turbine solution has moved one important step closer towards commercialization. By bringing down the cost of carbon capture for gas power plants and other industrial gas turbine applications below current incentives, CapsolGT<sup>®</sup> is set to unlock significant new demand. In June 2024, we presented the results of the study to emitters and suppliers in conjunction with the Carbon Capture Technology Expo North America in Houston, Texas, generating strong interest from the industry. Currently, we are in dialogue with gas turbine operators and greenfield project developers on engineering studies to mature potential projects towards full-scale carbon capture plants.

On the back of successfully raising capital in the first half of 2024, we will continue to invest in the Capsol technology portfolio to build on our competitive edge. In parallel, we will expand our capacity and presence to meet the growing global demand for efficient carbon capture solutions towards 2030 and beyond.”

Wendy Lam, CEO of Capsol Technologies ASA

## Key figures

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Amounts in NOK million					
Total operating revenue	17.0	5.7	36.5	6.6	34.2
Income/-loss before income tax	-22.1	-12.8	-30.0	-25.8	-43.4
Net cash flow from operating activities	-11.1	-10.6	-29.2	-15.9	-4.9
Net cash flow from investing activities	-12.9	-5.0	-15.5	-20.9	-51.3
Net cash flow from financing activities	20.0	10.7	95.6	9.1	39.2
Cash and cash equivalents (end of period)	92.6	33.6	92.6	33.6	41.6
Basic and deluted earnings per share	-0.35	-0.24	-0.49	-0.48	-0.81

# Operational review

## Projects

### CapsolGo® campaign at Swedish biomass plant

In June 2024, CapsolGo®, Capsol's mobile carbon capture demonstration unit, was installed at Växjö Energi AB's Sandvik biomass plant in Växjö, Sweden. The demonstration unit is part of a rental agreement with partner Sumitomo SHI FW (SFW). The campaign aims to demonstrate the full carbon capture solution, including liquefaction, providing valuable data for the optimization of a potential full-scale capture plant. A full-scale plant could reduce emissions by approximately 260,000 tons of CO<sub>2</sub> each year, starting in 2028. Carbon capture is particularly attractive at biomass plants as they can generate revenue from selling negative emissions credits, which are typically priced higher than current carbon taxes.

### CapsolGo® campaign in Germany for EfW and biomass

A 12-month contract for two CapsolGo® demonstration campaigns started in Q1 2023. One of the campaigns was conducted at an energy-from-waste (EfW) plant and one at a biomass-powered combined heat and power plant (CHP), both for a major German energy company. Capsol delivered a liquefaction unit to support the CapsolGo® campaign in Q3 2023. The test campaign is completed with positive results and the testing is extended into September 2024 for R&D.

### CapsolGo® campaign in Germany for EfW

A contract for a CapsolGo® demonstration campaign at EEW Energy from Waste's EfW plant in Hannover, Germany, started in Q3 2023. The full-scale potential for carbon capture, including a 50% share of biogenic CO<sub>2</sub>, is 280,000 tons of CO<sub>2</sub> per year. The CapsolGo® unit completed the campaign in July 2024 and is currently in the workshop in preparation for its next campaign.

### License agreement for BECCS at Stockholm Exergi Värtaverket

The biomass-powered CHP plant Värtaverket in Stockholm, Sweden, was Capsol's first license agreement for CapsolEoP® (end-of pipe). With a full-scale deployment of 800,000 tons of CO<sub>2</sub> per year, Värtaverket will be Europe's first large-scale negative emissions plant.

During Q2 2024, Stockholm Exergi signed off-take agreements with Microsoft and The Frontier fund backed by Alphabet Inc. and Meta Platforms for permanent carbon removals. On April 15, 2024, the Swedish government announced a cooperation with Norway, Denmark, Netherlands and Belgium for the transport and storage of captured CO<sub>2</sub> across borders, which removes some of the obstacles on the way to a well-functioning CO<sub>2</sub> market in the North Sea region. A further step was taken towards realizing the Swedish government's ambition of net zero in 2045, as the EU Commission formally approved its new support scheme for bio-CCS.

The support mechanism is a reverse auction for Sweden to award grants for carbon removal projects like Stockholm Exergi. In total, SEK 36 billion is set aside for the support scheme 2026-2046 and Sweden's stated ambition is for the first auction to be concluded in 2024. The project has been awarded EUR 180 million by the EU. On March 29, 2024, Stockholm Exergi received environmental permits from Sweden's Land and Environment Court. The final investment decision (FID), which triggers license payment to Capsol, is expected before the end of 2024.

### Frame license agreement for EfW and biomass

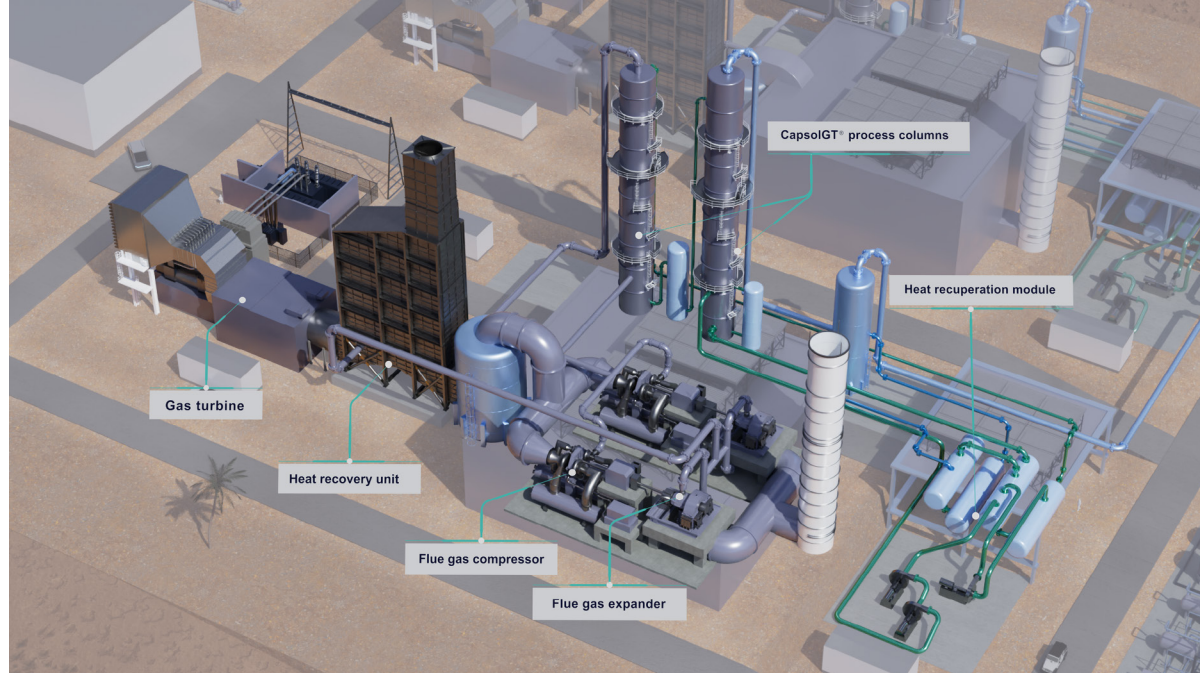
On December 27, 2023, Capsol Technologies signed a frame license agreement for the use of CapsolEoP® in full-scale carbon capture projects with a European utility owning many EfW and biomass plants in Europe. The first projects expected to be executed under the agreement will have a combined planned capacity of around 550,000 tons of CO<sub>2</sub> per year. The agreed license fee is within the updated pricing range. FID, which triggers a license fee payment to Capsol, is expected by 2026. Engineering packages will be provided on a paid basis.

During Q2 2024 two "light" Process Design Packages (PDP) for two different plants were ordered under this frame agreement.

### Preliminary license agreement for EfW plant in Switzerland

On March 18, 2024, Capsol Technologies entered a preliminary license agreement for the use of CapsolEoP® at KVA Linth's EfW plant located in Switzerland. The plant will have a carbon capture potential of more than 120,000 tons of CO<sub>2</sub> per year, of which half of the CO<sub>2</sub> is biogenic, enabling additional revenue from negative emissions credits. Capsol has previously delivered a feasibility study for the plant.





### Positive results from CapsolGT® study

On June 25, 2024, Capsol Technologies and Audubon Engineering presented highlights from a pre-FEED study of CapsolGT®, Capsol's carbon capture technology for gas turbines, to the industry at an event ahead of the Carbon Capture Technology Expo North America in Houston. Preliminary results validate the technology's performance and efficiency even in the most challenging environments, confirming that CapsolGT® can enable affordable low-carbon gas power generation.

### Studies proving competitive energy consumption within cement

Recent engineering work for clients in the cement industry has produced energy consumption numbers as low as 0.55 GJ per ton of CO<sub>2</sub> captured, with limited plant integration. With more advanced plant heat integration, energy numbers as low as 0.25 GJ per ton of CO<sub>2</sub> captured is possible. This is down from the already highly competitive range of 0.7-1.5 GJ/ton previously communicated. With energy consumption being the main operational cost for carbon capture, this makes CapsolGT® a very attractive offering to the industry.

## New contracts

### Feasibility study for BECCS project in Europe:

On April 18, 2024, Capsol Technologies was awarded a feasibility study for the CapsolEoP® carbon capture technology with a European energy company at one of their biomass-fired energy plants. The study, was conducted in Q2 2024, is for a plant aiming to capture 180,000 tons of CO<sub>2</sub> per annum.

### CapsolGo® for cement plants:

Capsol Technologies signed a contract for the delivery of two CapsolGo® carbon capture demonstration campaigns at two of SCHWENK's cement plants in Europe. Full-scale potential of 1.5 million tons CO<sub>2</sub>, of which 750,000 tons is already counted for in the mature project pipeline by end-Q2 2024. For further information, see Subsequent events.

## Sales pipeline

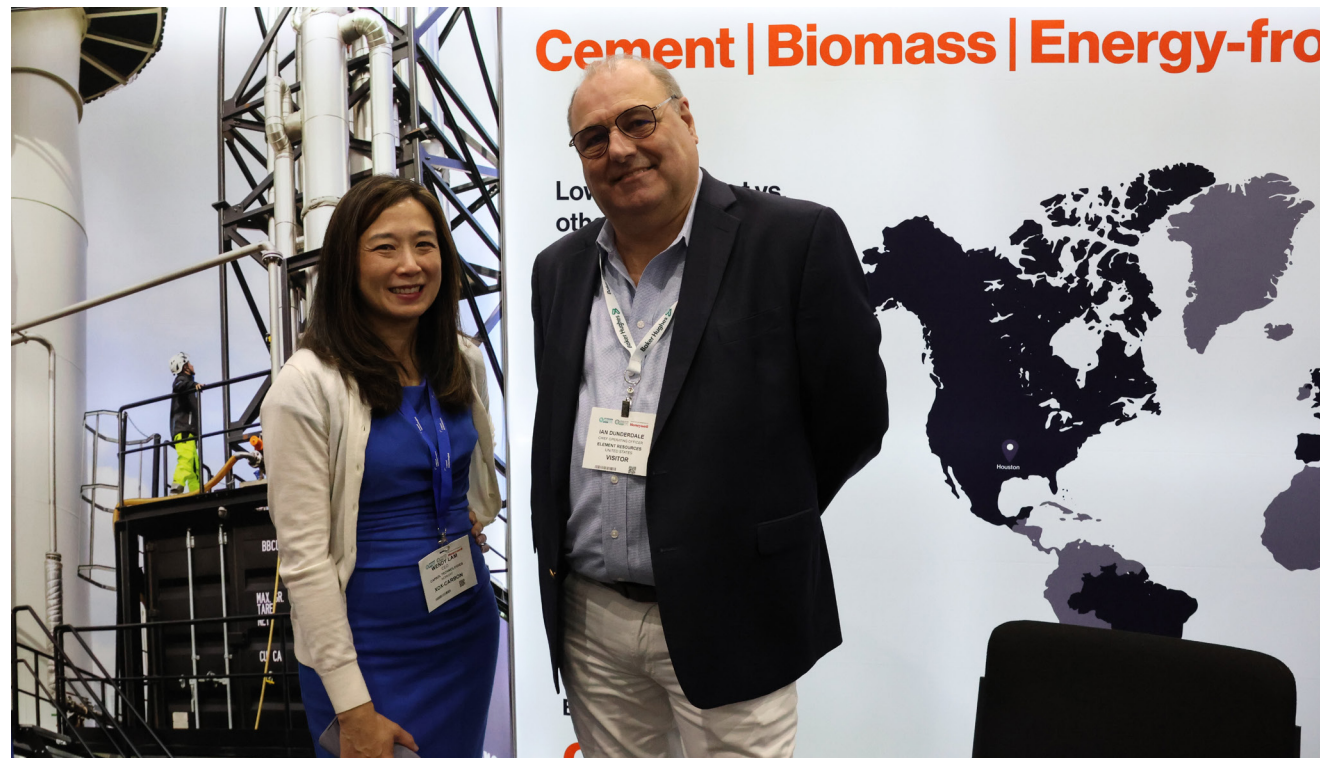
Capsol has a considerable sales pipeline consisting of more than 100 projects, representing more than 50 million tons of annual CO<sub>2</sub> capture capacity, and continued to see strong incoming demand throughout Q2 2024. The company has an increasing number of project-leads in North America, including in the pulp and paper sector, aluminum, cement and power/gas turbines.

Of the total pipeline, projects that have matured into later phases (engineering studies, CapsolGo® campaigns and licensing) amount to about 13 million tons of annual CO<sub>2</sub> capture capacity if developed into full-scale capture plants.

## Organization

Capsol Technologies opened a North American office in Houston, Texas, during the quarter. Robin Bodtmann was appointed Managing Director Americas, and the company has an ongoing recruitment process to strengthen its presence in the world's largest carbon capture market. Bodtmann brings more than 30 years of experience in the energy industry with EPC projects and engineering services globally from Bleutec Industries, Wood Group, Amec and Air Liquide. She holds a degree in Construction Management from East Carolina University and an MBA from Rice University.

Additionally, Capsol has appointed Sam Thivolle as Chief Delivery Officer, a newly established role focused on delivery of engineering studies and CapsolGo® demonstration campaigns. Thivolle has valuable experience from pioneering efforts in carbon capture and storage as CCS Director at Noble Corporation, and prior to that two decades within the upstream oil and gas sector, primarily at ExxonMobil. He holds master's degrees in petroleum engineering & economics from Texas A&M University and has also completed an MBA at INSEAD.



CEO Wendy Lam with Advisory Board Member, Ian Dunderdale at the Carbon Capture Technology Expo in Houston, TX.

As Capsol Technologies entered the global scale-up phase during H1 2024, the Company has established an international Advisory Board with highly valuable expertise in industry, technology development and commercialization, academia and government policy. The Advisory Board will help ensure Capsol's offering is known in the relevant markets and provide expert advice to accelerate both commercial and technical progress. The Advisory Board currently consists of the following members:

- Ian Dunderdale (US), brings expertise in strategy implementation, corporate and asset evaluation, valuation, and transaction execution, including Baker Hughes and Element Resources. Co-founder of two private equity-backed companies.
- Morgan Bazilian (US), Director of the Payne Institute for Public Policy and was previously Lead Energy Specialist at the World Bank, a senior diplomat at the United Nations and the EU's lead negotiator on technology at the UN climate negotiations.
- Jan Kielland (Norway), former CEO of Capsol Technologies. More than 40 years' experience working with and holding management and board positions in companies within the energy sector.
- Jing Jin (Sweden), Vice President of Clean Technologies at Munters. Highly experienced in green transition of the industrial sector as well as in emission abatement. In charge of Munter's carbon capture initiative.
- Stéphanie Saunier (Norway), Managing Director of Carbon Limits, a consulting company focusing on climate change mitigation from energy sector operations. Board member of Carmeuse, a global provider of lime, limestone and mineral-based products.

At the Annual General Meeting on May 8, 2024, Einar Chr. Lange resigned as a board member. Lange, who has reached 81 years of age, has served as a board member of Capsol since 2015 and is the largest shareholder in the company. Capsol's board now consists of five members including two female directors, fulfilling the regulatory requirements for Norwegian ASA companies.

# Financial review

## Financial performance

The first half of 2024 was an eventful period in the capital markets for Capsol Technologies ASA.

On February 16, 2024, Capsol announced the completion of a successful private placement, raising net proceeds of NOK 82.1 million to finance strategic initiatives within new markets, new solutions and new revenue streams, including:

- establishing and running an operation in North America;
- technical and commercial development of the CapsolGT® solution for carbon capture from gas turbines,
- expanding the CapsolGo® mobile demonstration program.

The capital raise was well received by market participants and completed at a 3.5% premium to the volume weighted average price per share over the previous ten trading days up until launch of the private placement. The Company expanded its shareholder base and added both institutional and strategic investors.

In preparation for the announced uplisting of the Company to the main list on the Oslo Børs, a retail offering was launched to further broaden the shareholder base. The offering was directed towards Norwegian and Swedish retail investors. On June 5, 2024, the offering was closed, raising net proceeds of NOK 26.4 million. The price represented a 10% discount to the volume weighted average price of the company's shares on Euronext Growth Oslo on the last day of the subscription period (June 5, 2024). With more than 750 investors participating subscribing for more than NOK 120 million in total, the offering was four times oversubscribed.

On June 19, 2024, the Company had its first day of trading on Euronext Oslo Børs. As one of very few listed pure-play carbon capture companies globally, the uplisting made the Company's value creation journey more accessible to international investors.

## Summary of profit and loss

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Amounts in NOK million					
Revenue	17.0	5.7	36.5	6.6	34.2
Total operating revenue	17.0	5.7	36.5	6.6	34.2
Operating income/-loss	-21.4	-12.3	-27.1	-24.9	-41.5
Net financial income/-loss	-0.7	-0.5	-2.9	-0.9	-1.9
Income/-loss before income tax	-22.1	-12.8	-30.0	-25.8	-43.4
Net income/-loss	-22.1	-12.8	-30.0	-25.8	-43.4
Basic and deluted earnings per share	-0.35	-0.24	-0.49	-0.48	-0.81

## Profit and loss Q2 and first half 2024

Capsol Technologies ASA's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). The statement is unaudited.

Total operating income amounted to NOK 17.0 million in Q2 2024, compared to NOK 5.7 million in Q2 2023. Furthermore, operating income for the first half of 2024 was 36.5 million compared to 6.6 million in the first half of 2023. The development was driven by increased revenues from CapsolGo® and from engineering deliveries to projects. The majority of revenue still stems from the CapsolGo® program but with increasing contribution from engineering deliveries to develop projects towards final investment decisions and license revenue.

The first CapsolGo® unit completed the campaign with EEW Energy from Waste in Germany after demonstrating the CapsolEoP® technology at their energy-from-waste (EfW) plant.

The unit is now in the workshop preparing for the next deployment, which will be with SCHWENK's cement plant in Latvia, before moving onto Akmenės cementas in Lithuania, both announced after the reporting period. The second unit is still operating at a German utility company demonstrating the CapsolEoP® technology at a biomass plant. The third CapsolGo® unit has been delivered and commenced operations at Växjö Energi AB's Sandvik biomass plant in Växjö, Sweden. This demonstration campaign is executed together with Capsol's partner Sumitomo SHI FW (SFW).

There have been some operational delays on CapsolGo® demonstration campaigns, due to issues including delayed delivery of equipment and operations of the first liquefaction unit from suppliers. Delays of this type are not related to the performance of the technology. However, it will set back deployment to the next campaign. Measures are being taken to improve the margins on the existing campaigns above previously communicated targets.

Total operating expenses were NOK 38.4 million in the quarter contributing to an operating loss of NOK 21.4 million. For the first half of 2024, operating expenses were NOK 63.6 million and the operating loss amounted to NOK 27.1 million. The operational expenses were higher than a typical quarter due to three elements:

- positive share price development driving up offset to employer tax under the share-based compensation scheme,
- annual bonus payments made in April,
- one-off costs related to the uplisting process, amounting to NOK 4.4 million in Q2 2024 (a total of NOK 6.1 million for the half year).

Furthermore, the company has started deploying capital from the private placement closed in February 2024 to the strategic initiatives highlighted.

Net financial items were NOK -0.7 million in Q2 2024 compared to NOK -0.5 million in the corresponding quarter last year. For the first half of 2024, net financial items were NOK -2.9 million compared to NOK -0.9 million in the corresponding quarter last year.

Pre-tax loss amounted to NOK 22.1 million for Q2 2024, relative to a loss of NOK 12.8 million in Q2 2023. For the first half of 2024, pre-tax loss amounted to NOK 30.0 million relative to a pre-tax loss of NOK 25.8 for the same period in 2023.

## Cash flow summary

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Amounts in NOK million					
Net cash flow from operating activities	-11.1	-10.6	-29.2	-15.9	-4.9
Net cash flow from investing activities	-12.9	-5.0	-15.5	-20.9	-51.3
Net cash flow from financing activities	20.0	10.7	95.6	9.1	39.2
Net increase/-decrease in cash and cash equivalents	-4.0	-4.8	50.9	-27.7	-17.0
Cash and cash equivalents as at beginning of period	97.3	38.6	41.6	61.6	61.6
Cash and cash equivalents as at end of period	92.6	33.6	92.6	33.6	41.6

## Cash flow

Net cash flow from operating activities was NOK -11.1 million in Q2 2024, while the comparable figure for Q2 2023 was NOK -10.6 million. For the first half of 2024 the corresponding numbers were -29.4 million compared to NOK -15.9 million in first half 2023.

The Q2 2024 difference between operating profit/loss and net cashflow from operating activities relates mainly to NOK 2.4 million in depreciation and NOK 4.6 million in allocation for the employee share option program, as well as changes in the balance between payables and receivables.

Net cash flow from investment activities was NOK -12.9 million in the quarter, compared to NOK -5.0 million in the same quarter last year. Investments relates to payments on the third CapsolGo® unit of NOK 8.0 million, capitalised development cost related to engineering for the CapsolGT® solution of NOK 4.7 million, as well as some capitalised development cost of digital tools for service delivery of NOK 0.2 million.

Net cash flow from financing activities in Q2 2024 was NOK 20.0 million and net change in cash and cash equivalents was NOK -4.0 million. The positive cash flow from financing activities was driven by a retail offering with net proceeds of NOK 26.4 million.

The Company held NOK 92.6 million in cash and cash equivalents by the end of Q2 2024, compared to NOK 97.3 million at the end of Q1 2024.

# Financial position

Total assets by the end of the first half year of 2024 were NOK 212.5 million, up from NOK 106.1 million by the end of the first half year of 2023. NOK 93.8 million was non-current assets, including NOK 74.2 million in plant and equipment. Current assets were NOK 118.7 million with NOK 92.6 million in cash and bank deposits.

Total equity was NOK 116.9 million, corresponding to an equity ratio of 55.0%.

Total liabilities amounted to NOK 95.6 million, of which short-term debt was NOK 53.6 million.

Total debt to financial institutions was NOK 55.1 million, of which NOK 18.7 million was classified as short-term. This relates to loan agreements with the Norwegian bank DNB for the financing of CapsolGo® units.

## Share information

Per June 30, 2024, the company had 62,788,669 issued shares, divided between 1,234 shareholders.

The closing price for the company's shares was NOK 15.50 per share as of June 30, 2024, which corresponds to a market capitalization of NOK 973 million.

### 20 largest shareholders June 30, 2024

Rederieraktieselskapet Skrim	9 546 474
Seteo AS	5 172 677
Aquila Holdings Investment AS	4 033 188
DNB Bank ASA	3 330 771
MP Pensjon PK	2 886 800
T.D. Veen AS	2 093 202
Oppkuven AS	1 844 136
Danske Bank A/S	1 803 968
F2 Funds AS	1 585 037
Redback AS	1 549 769
Tigerstaden AS	1 500 000
Mathisen Øystein	1 410 578
GM Capital AS	1 200 000
Danske Invest Norge Vekst	1 190 476
F1 Funds AS	1 145 529
Engleviken Fryseri AS	1 143 891
Daimyo Invest AS	1 030 000
The Northern Trust London Comp, BR	1 000 000
Q Capital AS	998 490
Tone Bekkestad AS	772 673
<b>Total</b>	<b>45 273 659</b>

### Sustainable value creation

Capsol Technologies' ambition is to have a positive impact on the environment in the long term, maintain high governance standards throughout its operations and create value for all its stakeholders including the society at large.

During the first half of 2024, Capsol has taken several measures to strengthen its corporate governance framework and support the scaling of its business. This includes implementing a Transparency Act and routines for Whistleblowing as well as updating its Code of Conduct for Business Partners and Code of Business Conduct and Ethics. Additional management systems and employee training aimed at safeguarding the health, safety and security of the company's employees have been implemented in the period.

As part of the company's continuous improvement efforts, a company-wide survey on employee engagement was conducted in the period with positive results.

More information on the company's sustainability work and governance framework can be found in the ESG Reporting chapter of the Annual Report 2023.

### Market developments

Carbon capture is a technology that enables industrial facilities to remove CO<sub>2</sub> from their production process flue gases, thus preventing the CO<sub>2</sub> from being emitted into the atmosphere.

The captured CO<sub>2</sub> can either be utilized or stored permanently. The carbon capture market is still in its early days, but is expected to grow rapidly driven by the world's need to curb emissions of CO<sub>2</sub>, to limit global warming, and avoid irreversible climate change. A key driver of CCS demand growth is the implementation of government policies that incentivize emitters to deploy solutions to remove, reduce or offset their emissions. Businesses are also increasingly taking proactive steps on emissions reduction as part of their corporate strategy to meet stakeholder needs, stay competitive and manage longer-term risks.

During Q2 2024, several government policies were implemented across Europe and North America. EU's Net Zero Industry Act, which aims to scale up manufacturing of clean technologies through i.e. fast-tracking permitting procedures for strategically important CCUS (carbon capture utilization and storage) projects and introducing an obligation for large oil and gas companies to develop CO<sub>2</sub> storage capacity by the end of this decade, was enacted into law. Additionally, EUR 450 million was awarded by the EU Connecting Europe Facility to infrastructure projects such as the Northern Lights Phase 2 which aims to increase the CO<sub>2</sub> storage capacity from 1.5 million tons per year in phase 1 starting operations in 2024 to 5 million tons per year from mid 2026.

Of particular interest – given its potential direct impact on the robustness of the Stockholm Exergi project where Capsol is chosen as technology provider and FID is planned before the end of the year – was EU's decision to approve a EUR 3 billion Swedish State aid scheme to support the roll-out of biogenic carbon capture and storage. Under the scheme, the aid will be awarded through a competitive bidding process, with the first auction expected in 2024.

Additionally, the EU approved the Carbon Removal Certificate Framework. This framework was designed to accelerate the demand for such certificates through establishing a common framework for reliably certifying high-quality carbon removals according to a set of criteria.

In North America, Canada implemented its CCUS Investment Tax Credit plan, which provides a tax credit of 50% for capture equipment and 37.5% for qualified carbon transportation, storage and usage equipment.

The backdrop for the above additional incentives being implemented, is a widespread recognition that climate efforts need to be accelerated.

According to the International Energy Agency's (IEA) latest report, the world is falling further behind the track to reach net zero by 2050, which increases the call for rapid implementation of CCUS projects.. In IEA's net zero emissions scenario, carbon capture capacity needs to grow by 50% annually to 1.2 billion tons of CO<sub>2</sub> per year by 2030 for the world to be on track.

Currently, over 500 carbon capture projects are in various stages, of which 75% of operating and planned capacity is in North America and Europe, according to IEA.

Previously implemented incentives that have contributed to the increased demand for CCS include The Inflation Reduction Act (IRA) in the US, approved in August 2022. The IRA increased the tax refund from 50 to 85 USD per ton CO<sub>2</sub> for carbon emissions captured and stored from industrial facilities and power plants.

In the EU, the most important incentive is the emissions-trading system (ETS), which taxes carbon emissions for certain sectors and is gradually expanded. During 2024, the ETS price has traded between EUR 50 and 80 per ton CO<sub>2</sub> and the price is expected to increase over time.

On October 1, 2023 EU's Carbon Border Adjustment Mechanism (CBAM) entered into application in its transitional phase. Once fully phased in, EU importers of cement will have to pay allowances equivalent to the EU ETS expressed in EUR per ton, while at the same time, EU domestic producers will lose "free" emission allowances. Cement producers in the EU and cement producers exporting to the EU will be fully exposed to the EU cost of CO<sub>2</sub> emission. With an ETS price of 100 EUR/ton CO<sub>2</sub> and emissions of 0.6 tons CO<sub>2</sub>/ton cement produced, the cost of imported cement will increase by 60%. Furthermore, this mechanism has incentivized other regions to follow suit, including the UK which has decided to implement its carbon border tax in 2027.

With incentives already in place proven to drive emitters demand for solutions to reduce, capture and remove emissions, continuous implementation of additional incentives are expected to further accelerate the deployment of competitive CCUS solutions.

## Outlook

To be on track to reach net zero, 1 billion tons of carbon capture capacity is required by 2030 according to the independent research and business intelligence company Rystad Energy.

Based on its highly competitive technology that is relevant for all kinds of emitters and the support of an ecosystem of global experts, Capsol is targeting a long-term 5-10% market share in carbon capture technology licensing, EUR 10-15 in technology licensing revenue per tons of capacity installed and 40-60% pre-tax margin.

While ambitious, the path to net zero represents a EUR 10-15 billion CCS technology licensing opportunity in the period until 2030 based on Capsol's estimates.

Key de-risking milestones include implementations of further government backed incentives, commercial success through direct sales and current partners, additional partnerships to expand reach, final investment decisions on projects where Capsol's technology has been selected and successful development of additional technologies to increase relevance across market segments.

Capsol continues to have a sharp focus on increasing engineering capacity to deliver on-demand growth through hires, partnerships and streamlining delivery models.

The company follows a strategic roadmap where revenue is reinvested to build a leading market position in 2026 and beyond.

### Transactions with related parties

During the ordinary course of business, the company may engage in certain arm's length transactions with related parties. There were no transactions with related parties during the period.

### Subsequent events

On August 13 2024, Capsol signed a contract for the delivery of two CapsolGo® carbon capture demonstration campaigns at SCHWENK's Building Material Group's Brocēni cement plant in Latvia and the Akmenės Cementas cement plant in Lithuania. The CapsolGo® demonstration campaigns follow a feasibility study done by Capsol for the Brocēni cement plant earlier this year and will be delivered as all-inclusive services with a testing and validation program, providing SCHWENK with valuable data and information on the CapsolEoP® (End-of-Pipe) capture technology. The demonstration period will be Q4 2024 to Q4 2025.

The Board of Directors is not aware of any other events that occurred after the balance sheet date, or any new information regarding existing matters, that can have a material effect on the 2024 second quarter of the consolidated financial report for the company.

### Risks and uncertainties

Capsol operates in a global market that is influenced by government subsidies, CO<sub>2</sub> taxes, customer preferences, and willingness to adapt to new technology and solutions; the introduction and commercialization, and timing, of new technologies, products, and services by others; changes in regulation; and other market conditions, in addition to internal factors such as financial and operational risks.

Capsol is continuously monitoring, managing, and mitigating potential risks and negative impacts for the company. Examples of key risks including risks specifically for the second half of 2024, and mitigating actions related to these risks, are described below.

One of the key risks is related to Capsol being a small company with large competitors in a global market. Mitigating actions include the company's business model being based on technology licensing, which is highly scalable and less resource-demanding and capital intensive than other delivery models. Additionally, the company's go-to-market strategy is to combine direct sales with partnerships with large global companies to extend reach, capacity and capabilities. Further, Capsol has built a highly capable and incentivized team, and it follows a strategic roadmap for organic growth with an opportunistic approach to inorganic growth opportunities.

Another key risk factor is that competitors could develop better technologies. Firstly, the company has a clear strategy for proving cost competitiveness and implementing learnings from executed projects. A strategy for patent protection is implemented and the company continues to invest in R&D to maintain cost leadership. Additionally, the company has an opportunistic approach to acquiring promising new technologies.

Continued cost inflation and delayed permitting processes with relevant authorities triggering possible postponements and cancellation of projects are key risk factors.



# Capsol interim financial statements Q2 and first half 2024

# Consolidated financial statements

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## Consolidated statement of profit and loss

	Notes	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Amounts in NOK						
Operating income and expenses						
Revenue	4	16 991 644	5 711 500	36 499 484	6 587 608	34 160 224
Other operating income		-	-	-	-	-
<b>Total operating revenue</b>		<b>16 991 644</b>	<b>5 711 500</b>	<b>36 499 484</b>	<b>6 587 608</b>	<b>34 160 224</b>
Cost of contract fulfillment		3 808 097	1 190 420	10 223 492	1 190 420	7 776 112
Personnel expenses	7	19 421 517	6 274 421	29 483 813	15 936 526	37 426 643
Depreciation expenses	6	2 399 354	2 250 987	4 798 709	3 350 779	8 169 069
Other operating expenses		12 785 542	8 317 860	19 113 421	11 030 892	22 269 643
<b>Total operating expenses</b>		<b>38 414 510</b>	<b>18 033 688</b>	<b>63 619 435</b>	<b>31 508 617</b>	<b>75 641 466</b>
Operating income/-loss		-21 422 864	-12 322 187	-27 119 950	-24 921 009	-41 481 242
Financial income and expenses						
Other interest income		195 958	25 151	405 304	36 463	1 010 363
Other financial income		1 262 346	383 661	2 981 233	473 479	3 990 313
Other interest expenses		-1 179 650	- 334 363	-2 642 995	- 714 602	-2 479 973
Other financial expenses		- 951 482	- 547 559	-3 653 635	- 694 422	-4 447 959
<b>Net financial income/-loss</b>	5	<b>- 672 828</b>	<b>- 473 110</b>	<b>-2 910 093</b>	<b>- 899 082</b>	<b>-1 927 256</b>
Income/-loss before income tax		-22 095 692	-12 795 297	-30 030 043	-25 820 090	-43 408 498
Income tax expense		-	-	-	-	-
<b>Net income/-loss</b>		<b>-22 095 692</b>	<b>-12 795 297</b>	<b>-30 030 043</b>	<b>-25 820 090</b>	<b>-43 408 498</b>
Basic and deluted earnings per share		-0.35	-0.24	-0.49	-0.48	-0.81

## Consolidated statement of comprehensive income

	Notes	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Amounts in NOK						
Net income/-loss		-22 095 692	-12 795 297	-30 030 043	-25 820 090	-43 408 498
Other comprehensive income		-	-	-	-	-
Items that may be reclassified to profit and loss in subsequent periods:		-	-	-	-	-
Currency translation difference, net of tax		-	-	-	-	-767
Other comprehensive income for the period, net of tax		-	-	-	-	-767
<b>Total comprehensive income/-loss for the period</b>		<b>-22 095 692</b>	<b>-12 795 297</b>	<b>-30 030 043</b>	<b>-25 820 090</b>	<b>-43 409 265</b>

## Consolidated statement of financial position

	Notes	Jun 30 2024	Jun 30 2023	Dec 31 2023
Amount in NOK				
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	<a href="#">6</a>	12 102 502	6 575 810	7 337 512
Plant, property and equipment	<a href="#">6</a>	74 220 824	42 743 283	67 267 596
Right of use assets		7 501 959	9 543 618	8 522 788
<b>Total non-current assets</b>		<b>93 825 285</b>	<b>58 862 711</b>	<b>83 127 897</b>
<b>Current assets</b>				
Accounts receivables		11 891 667	2 514 360	9 821 949
Contract assets		817 196	2 261 745	1 735 104
Other short-term receivables		13 402 485	8 830 060	9 126 653
Cash and cash equivalents		92 589 529	33 603 286	41 615 681
<b>Total current assets</b>		<b>118 700 877</b>	<b>47 209 452</b>	<b>62 599 387</b>
<b>Total assets</b>		<b>212 526 162</b>	<b>106 072 163</b>	<b>145 727 285</b>

## Consolidated statement of financial position

Notes	Jun 30 2024	Jun 30 2023	Dec 31 2023
Amount in NOK			
EQUITY AND LIABILITIES			
Equity			
Share capital	31 394 334	53 533 395	26 766 698
Share premium	185 013 374	81 072 850	81 072 850
Other paid in capital	24 543 767	14 592 724	20 107 188
Other equity	-124 052 327	-103 199 801	-94 022 283
<b>Total equity</b>	<b>116 899 148</b>	<b>45 999 168</b>	<b>33 924 453</b>
LIABILITIES			
Non-current liabilities			
Lease liability	5 625 740	7 580 082	6 621 710
Debt to financial institutions	36 402 550	20 463 420	45 212 693
<b>Total non-current liabilities</b>	<b>42 028 290</b>	<b>28 043 502</b>	<b>51 834 403</b>
Current liabilities			
Trade creditors	10 273 712	3 857 018	15 324 695
Lease liabilities	1 954 342	1 809 577	1 880 567
Contract liabilities	10 947 085	9 145 231	13 660 071
Current-portion of debt to financial institution	18 687 384	12 941 342	18 500 894
Public duties payable	2 679 721	1 996 748	3 070 631
Other current liabilities	9 056 479	2 279 577	7 531 571
<b>Total current liabilities</b>	<b>53 598 724</b>	<b>32 029 493</b>	<b>59 968 429</b>
<b>Total liabilities</b>	<b>95 627 014</b>	<b>60 072 995</b>	<b>111 802 832</b>
<b>Total equity and liabilities</b>	<b>212 526 162</b>	<b>106 072 163</b>	<b>145 727 285</b>

## Consolidated statement of cash flows

	Notes	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Amounts in NOK						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
Profit/(loss) before income tax		-22 095 693	-12 795 298	-30 030 043	-25 820 090	-43 408 498
<b>Adjustments to reconcile profit/loss before tax to net cash flow</b>						
Depreciation and amortisation expenses	<a href="#">6</a>	2 399 354	2 250 987	4 798 709	3 350 779	8 169 069
Finance -income/expense net	<a href="#">5</a>	672 828	473 110	2 910 093	899 082	1 927 256
<b>Working capital changes</b>						
Change in trade and other receivables		-1 135 941	1 648 477	-2 069 718	- 518 885	-7 826 474
Change in trade and other payables		4 755 652	-5 083 189	-5 050 983	2 484 372	13 945 616
Change in other current assets and liabilities		-2 839 605	2 884 347	-4 705 937	-2 803 982	2 416 217
Change in contract balances		2 360 102	2 932 316	-1 795 078	5 671 941	11 924 967
Share based compensation scheme without cash impact	<a href="#">7</a>	2 472 624	-1 712 609	4 436 579	125 212	5 639 676
Share based compensation employment tax	<a href="#">7</a>	2 123 052	-1 184 463	1 864 104	698 774	1 302 266
Interests received		195 958	25 151	405 304	36 463	1 008 606
<b>Net cash flow from operating activities</b>		<b>-11 091 668</b>	<b>-10 561 171</b>	<b>-29 236 969</b>	<b>-15 876 334</b>	<b>-4 901 300</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>						
Payment for property plant and equipment	<a href="#">6</a>	-7 958 460	-5 003 770	-10 515 210	-22 128 020	-51 218 785
Payment for intangible assets	<a href="#">6</a>	-4 980 888	-	-4 980 888	-	-1 292 394
Government grants received on investment activities		-	-	-	1 211 545	1 211 545
<b>Net cash flow from investing activities</b>		<b>-12 939 348</b>	<b>-5 003 770</b>	<b>-15 496 098</b>	<b>-20 916 475</b>	<b>-51 299 634</b>

## Consolidated statement of cash flow

Notes	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Net equity received	26 429 630	-	108 568 161	-	-
Proceeds from borrowings	-	12 704 762	-	12 704 762	48 996 532
Repayment of borrowings	-4 747 349	-1 150 000	-9 419 195	-2 300 000	-5 822 146
Repayment of lease liability	- 465 534	- 494 235	-922 196	- 638 964	-1 526 346
Interests paid on borrowings	-1 027 510	- 210 925	-2 329 843	- 590 878	-2 008 285
Interests paid on lease liability	-152 140	- 123 438	-313 152	- 123 724	- 471 688
<b>Net cash flow from financing activities</b>	<b>20 037 096</b>	<b>10 726 164</b>	<b>95 583 775</b>	<b>9 051 196</b>	<b>39 168 097</b>
Net increase/-decrease in cash and cash equivalents	-3 993 919	-4 838 776	50 850 708	-27 741 613	-17 032 838
Cash and cash equivalents as at beginning of period	97 265 016	38 605 960	41 615 681	61 565 235	61 565 235
Effect of change in exchange rate	- 681 568	-163 898	123 140	-220 336	-2 916 715
<b>Cash and cash equivalents as at end of period</b>	<b>92 589 529</b>	<b>33 603 286</b>	<b>92 589 529</b>	<b>33 603 286</b>	<b>41 615 681</b>



## Consolidated statement of changes in equity

	Notes	Share capital	Share premium	Other paid in capital	Currency trans adjustment	Other equity	Total equity
YTD 2024							
Balance at January 1, 2024		26 766 697	81 072 850	20 107 188	-451	-94 021 832	33 924 453
Profit for the year		-	-	-	-	-30 030 043	-30 030 043
Share capital issue Feb 16		3 502 637	78 635 894	-	-	-	82 138 531
Share capital issue Jun 5		1 125 000	25 304 628	-	-	-	26 429 628
Share based compensation		-	-	4 436 579	-	-	4 436 579
<b>Balance at June 30 2024</b>		<b>31 394 334</b>	<b>185 013 373</b>	<b>24 543 767</b>	<b>-451</b>	<b>-124 051 876</b>	<b>116 899 148</b>
YTD 2023							
Balance at January 1, 2023		53 533 395	81 072 850	14 467 512	317	-77 380 031	71 694 043
Profit for the year		-	-	-	-	-25 820 090	-25 820 090
Share based compensation		-	-	125 213	-	-	125 213
<b>Balance at June 30 2023</b>		<b>53 533 395</b>	<b>81 072 850</b>	<b>14 592 725</b>	<b>317</b>	<b>-103 200 121</b>	<b>45 999 168</b>
2023							
Balance at 31 December 2022		53 533 395	81 072 850	14 467 512	317	-77 380 031	71 694 043
Profit for the year		-	-	-	-	-43 408 499	-43 408 499
Other comprehensive income		-	-	-	-767	-	-767
Share capital reduction		-26 766 698	-	-	-	26 766 698	-
Share based compensation		-	-	5 639 676	-	-	5 639 676
<b>Balance at December 31 2023</b>		<b>26 766 697</b>	<b>81 072 850</b>	<b>20 107 188</b>	<b>-451</b>	<b>-94 021 832</b>	<b>33 924 453</b>

## Notes to the consolidated financial statements

### Note 1 General information

The accompanying interim financial statements of Capsol Technologies ASA, for the period ending June 30 2024, and the comparable financial statements for the period ending June 30, 2023, were authorized for issue on August 26, 2024 by resolution of the Board of Directors.

These interim financial statements are made for the group comprised of Capsol Technologies ASA and its subsidiaries (the 'Group' or 'Capsol'). The mother entity of the Group is Capsol Technologies ASA, which is a public limited liability company incorporated and domiciled in Oslo, Norway. The shares are currently traded on Euronext Oslo Børs, with the ticker CAPSL.

The Group is a carbon capture technology provider with a goal to accelerate the transition to a carbon negative future.

The financial statements for the year ended December 31, 2023 are available at the company's webpage [www.capsoltechnologies.com](http://www.capsoltechnologies.com)

### Note 2 Basis for preparation

These interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" as adopted by the European Union (the "EU") and additional requirements in the Norwegian Securities Trading Act. This interim financial report does not include all the information and disclosures required by other standards within the International Financial Accounting Standards ("IFRS") for a complete set of annual financial statements. Hence, this report should be read in conjunction with the annual report for the year ended December 31, 2023.

The interim financial statements are unaudited.

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its financial statements for the year ended December 31, 2023. In the interim financial statements, the first half year is defined as the reporting period from January 1 to June 30, and the second quarter as the one starting on 1 April and ending on 30 June.

All amounts are presented in Norwegian kroner (NOK) unless otherwise stated. Because of rounding differences, numbers or percentages may not add up to the sum totals.

#### Significant assumptions and estimates

The preparation of financial statements requires Management and the Board of Directors to make assessments and assumptions that affect recognized assets, liabilities, income and expenses and other information provided. For further information concerning these, please refer to the Capsol Technologies 2023 annual report.

### Note 3 Significant changes, events and transactions in the current reporting period

#### Capital raise 1

On February 16, 2024, Capsol announced the completion of a successful private placement, raising net proceeds of NOK 82.1 million. The share issue provides the Company with a strong financial basis to execute its business plan. The net proceeds will go towards financing strategic initiatives within new markets, new solutions and new revenue streams, specifically;

- establishing and running an operation in the United States,
- technical and commercial development of the CapsolGT® solution for carbon capture from gas turbines and;
- expanding the CapsolGo® mobile demonstration program.

As a result of this the number of shares increased by 7,005,274, giving a total number of shares of 60,538,669.

#### Capital raise 2

On June 5, 2024 announced the completion of a successful retail offering, raising net proceeds of NOK 26.4 million. The offering was launched to further broaden the shareholder base in preparation for the announced uplisting of the company to the main list on the Oslo Børs which was concluded with first day of trading on 19 June. The offering was directed towards Norwegian and Swedish retail investors. With more than 750 investors participating subscribing for more than NOK 120 million in total, the offering was four times oversubscribed. As a result of this the number of shares increased by 2,250,000, giving a total number of shares of 62,788,669.

## Note 4 Operating revenue

The following breakdown presents the disaggregation of total operating income generated by the Company:

Geographical distribution	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Amounts in NOK					
Europe	16 991 644	4 835 392	36 499 484	5 711 500	34 160 224
US					
<b>Total operating revenue</b>	<b>16 991 644</b>	<b>4 835 392</b>	<b>36 499 484</b>	<b>5 711 500</b>	<b>34 160 224</b>
Timing of recognition					
At point time	6 989 478	73 896	7 728 251	368 512	3 247 363
Overtime	10 002 166	4 761 496	28 771 233	5 342 988	30 912 860

None of the revenue mentioned on table was recognized in Norway.

Recorded revenues are from CapsolGo® demonstration services and from feasibility and engineering studies. Capsol Technologies has determined that the Group has only one operating segment, and thus only one reporting segment, which is carbon capture solution technology. The determination of one operating and reporting segment is strongly based on the internal financial information monitored by the Board of Directors (chief operating decision maker), the management and Capsol Technologies' current business model and operations, as well as the fact that all business and sale is managed centrally by the management group.

## Note 5 Classification of net financial items

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Amounts in NOK					
Other interest income	195 958	25 151	405 304	36 463	1 010 364
Currency gain	1 262 346	383 661	2 981 233	473 479	3 990 313
Other interest expense	-1 024 625	-209 944	-2 329 843	-590 878	-2 204 945
Interest expense lease	-152 140	-123 438	-313 152	-123 724	-471 688
Currency loss	-954 367	-548 540	-3 653 635	-694 422	-4 256 881
<b>Total net financial items</b>	<b>-672 828</b>	<b>-473 110</b>	<b>-2 910 093</b>	<b>-899 082</b>	<b>-1 932 837</b>

## Note 6 Intangible assets and property, plant and equipment

Intangible assets	Jun 30 2024	Jun 30 2023	Dec 30 2023
Amounts in NOK			
Accumulated cost at Jan 1	8 632 894	7 340 500	7 340 500
Additions	4 980 887	314 794	1 292 394
<b>Accumulated cost at Jun 30</b>	<b>13 613 781</b>	<b>7 655 294</b>	<b>8 632 894</b>
Accumulated depreciation and impairment at Jan 1	-1 295 382	- 863 588	- 863 588
Amortisation for the period	- 215 896	- 215 896	- 431 794
Accumulated depreciation and impairment Jun 30	-1 511 278	-1 079 484	-1 295 382
<b>Net carrying amount at Jun 30</b>	<b>12 102 502</b>	<b>6 575 810</b>	<b>7 337 512</b>

Depreciation method	Straight line	Straight line	Straight line
Useful life	17	17	17

Property, plant and equipment	Jun 30 2024	Jun 30 2023	Dec 31 2023
Amounts in NOK			
Accumulated cost at Jan 1	76 308 855	23 878 525	25 090 070
Additions	10 515 210	21 813 225	51 218 785
Government grants	-2 511 228		-2 511 228
Accumulated cost at Jun 30	<b>84 312 837</b>	<b>45 691 750</b>	<b>73 797 627</b>
Accumulated depreciation and impairment at Jan 1	-6 530 031	- 286 244	- 286 244
Depreciation for the period	-3 561 982	-2 662 223	-6 243 787
Accumulated depreciation and impairment Jun 30	-10 092 013	-2 948 467	-6 530 031
<b>Net carrying amount at Jun 30</b>	<b>74 220 824</b>	<b>42 743 283</b>	<b>67 267 596</b>

Depreciation method	Straight line	Straight line	Straight line
Useful life	5	5	5

### Intangible asset additions

The additions of the intangible assets in first half year of 2024 were from NOK 305,342 related to the Digital Platform and NOK 4,675,545 from capitalization of R&D, a total of NOK 4,980,887.

### Intangible asset depreciation

The digital platform and R&D is still under development and is not depreciated as of period end June, 2024.

### Impairment assessment

There have not been identified any indications of impairment in the period.

## Note 7 Share based payment

Shares, subscription rights, warrants, options	Total	Issued	Average exercise price	Proceeds if exercised
Issued shares as of June 30, 2024	62 788 669	62 788 669		
Share-based compensation	5 850 000	5 625 500	11.37	63 961 935
<b>Total potential issued shares as of June 30, 2024</b>	<b>68 638 669</b>	<b>68 414 169</b>		<b>63 961 935</b>

On June 5, 2024 the Company closed a retail offering to the public in Norway and Sweden of 2,250,000 new shares, each at a subscription price of NOK 13.30. Hence, issued shares as of June 30, 2024 amounted to 62,788,669.

At the annual general assembly on May 8, 2024 it was resolved that the frame of the share-based compensation program in the Company is extended from 5,000,000 to 5,850,000 shares.

	Q2 2024	Q2 2023	YTD 2024	YTD 2023	2023
Amounts in NOK					
Cost recognized related to share based compensation	2 472 624	-1 712 609	4 436 579	125 212	5 639 676
Share based compensation employment tax	2 123 052	-1 184 463	1 864 104	698 774	1 302 266
<b>Total cost of the share based program</b>	<b>4 595 676</b>	<b>-2 897 072</b>	<b>6 300 683</b>	<b>823 986</b>	<b>6 941 942</b>

**Note 8 Transactions with related parties**

No related party transaction during the reporting period.

**Note 9 Events after the reporting period**

The Board of Directors is not aware of any other events that occurred after the balance sheet date, or any new information regarding existing matters, that can have a material effect on the first half of 2024 of the consolidated financial report for the Company.

## Declaration by the Board of Directors and CEO

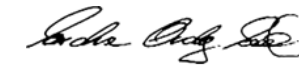
The Board of Directors and the CEO have today considered and approved the consolidated condensed financial statements for the six months ended June 30 2024, for Capsol Technologies.

The Board has based this declaration on reports and statements from Capsol's CEO, the results of Capsol's activities, and other information that is essential to assess Capsol's position.

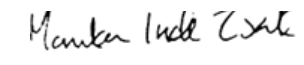
To the best of our knowledge:

- The consolidated condensed financial statements for the six months ended June 30 2024, have been prepared in accordance with IAS 34 - Interim Financial Reporting and additional disclosure requirements under the Norwegian Securities Trading Act.
- The information provided in the financial statements gives a true and fair portrayal of Capsol Technologies' assets, liabilities, profit, and overall financial position as of June 30 2024.
- The information provided in the report for the first half 2024 provides a true and fair overview of the development, performance, financial position, important events and significant related party transactions in the accounting period as well as the most significant risks and uncertainties facing Capsol Technologies.

Oslo, August 26, 2024  
The Board of Capsol Technologies ASA



**Endre Ording Sund**  
Chairman of the board



**Monika Inde Zsak**  
Member of the board



**Wayne Thomson**  
Member of the board



**John Arne Ulvan**  
Member of the board



**Ellen Merete Hanetho**  
Member of the board



**Wendy Lam**  
Chief Executive Officer



# capsol technologies

Our vision is to accelerate the world's  
transition to a net zero future

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