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Q3 2024 results presentation

November 5, 2024



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Today's presenters:

Ingar Bergh Chief Financial Officer

Wendy Lam Chief Executive Officer

Philipp Staggat Chief Product Officer

Licensor of point source carbon capture technology



Offering carbon capture and heat recovery in one system



Years of R&D

Lower than amines¹

Attractive capture cost

20-60%

15 +~EUR 50m invested Hours in operation



Safe, proven chemistry in 100's of plants

Key segments: **Biomass | Energy-from-waste | Cement | Gas turbines**

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1) Based on company estimates, internal and external studies (Swedish Energy Agency report "Conceptual study for Bio-CCS within Stora Enso's Swedish kraft pulp mills" and Sintef report "Reducing the Cost of Carbon Capture in Process Industry") 2) 140-400 kWh

Highlights – Q3 2024

Steady demand growth

- Revenues up 80% to NOK 21.6 million, compared to Q3 2023.
- Project pipeline up ~60% to 15 million tons CO_2 last 12 months.
- Awarded feasibility study and two CapsolGo® campaigns for cement plants in Q3 2024.

Lower cost solution yields attractive returns for emitters

- Progress driven by Capsol's lower energy use and increasingly strong business case.
- Recent studies confirm Capsol projects can yield attractive financial returns.
- Continuously optimizing performance based on engineering and demonstration data.

Investing to leverage technology leadership

- Expanding technology platform, geographical presence and service offering.
- Current business plan fully funded based on committed work and NOK 66m in cash.
- Further investments in growth to be balanced with revenue generation.

Additional incentives derisking the market opportunity

8,000 Removal (BECCS & DAC) Enerav Industrv Power 7.000 installed 6.000 pacity 5.000 g 4.000 capture 3.000 tons Million 2,000 1.000 2024 2026 2028 2030 2032 2034 2036 2038 2040 2042 2044 2046 2048 2050

CO₂ captured per year to reach net-zero¹

Recent announcements



HyNet and the East Coast Cluster, with funding supporting both CCS and blue hydrogen production.





Capture, transport, and store CO_2 by 2029, with operations starting by 2030 and subsidy paid out over 15 years.

EUR **3.85bn**



Reduction of industrial CO₂ emissions with a focus on bioenergy sources (BECCS).

EUR **3.2bn**



Superior technology platform to decarbonize industry



Scalable business model yielding attractive returns

Low capital intensity

No capex required to drive growth – product development, standardization and commercialization together with partners.

Zero capex risk

Technology license includes process design package and carries no construction, capex and financing risk.

40-60% pre-tax

Based on ~100% margin on licensing, ~50% margin on demonstration campaigns and cost+ on engineering.

Timeline for a typical CCS project and Capsol's revenue streams



Operational review

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Strong demand growth

15mt mature pipeline representing EUR >100m pre-tax profit potential





Engineering studies includes Concept, Feasibility and pre-FEED (front-end engineering and design) studies with paid engineering work or other project specific work more advanced than "sales engineering". mt = million tons

Emerging as a preferred technology in target industries

Biomass/Energy-from-waste

Cement





Value proposition

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Clean power and new business opportunities in carbon removal

- Low energy consumption.
 - Safe solution fit for residential areas.
 - Can boost district heating.

- Meeting new regulations and staying competitive
- Lower energy consumption with higher CO₂ concentration.
- Easy plant integration; no need for external steam supply.





Decarbonize hard-to-abate gas power

- Lower cost than alternatives.
- Efficient at low CO₂ concentrations.
- Can generate additional electricity.

Total capacity and revenue potential in mature projects in pipeline

7.0 mt EUR 70-105m

8.0 mt EUR 80-120m In commercialization Pre-FEED study delivered

Continuing to demonstrate the technology for customers – two campaigns starting in Q4 2024

Energy-from-waste: Mälarenergi's plant in Sweden¹



400,000 tons CO₂ in fullscale potential

Q4 2024 start-up of demonstration

2030 target for full-scale capture plant

Cement: Brocēni in Latvia and Akmenes in Lithuania





July 2022Q4 20242027Technology licensing
agreement signedExpected FIDExpected start-up
of operations

Capsol's first licensing agreement nearing FID

- License agreement with Capsol Technologies
- 180 million EUR awarded by EU
- Environmental permitting completed
- Sweden, Norway, Denmark storage agreement signed between governments
- World's largest agreement with Microsoft for carbon removal
- Agreement with Frontier for carbon removal
- Swedish EUR 3.2 billion reverse auction in progress closes Nov 21, 2024
- □ FID triggering license fees to Capsol

Capsol's International Advisory Board



Chris Barkey

Former CTO for Baker Hughes, former Group Director, Engineering & Technology for Rolls-Royce plc.



Morgan Bazilian

Director of the Payne Institute for Public Policy and Professor at the Colorado School of Mines. Worked with World Bank, United Nations, EU.



Ian Dunderdale

Experienced energy sector executive leader with experience from Baker Hughes, Gaffney Kline, Halliburton.



Vice President of Clean Technologies at Munters, leading Munter's carbon capture initiative.



Jan Kielland

Former CEO of Capsol Technologies. Previous management and board positions in the energy sector.



Stéphanie Saunier

Managing Director of Carbon Limits, Independent Board Member for Carmeuse, an international lime producer.

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Deep-dive:

Selected business cases that highlight Capsol's technology advantages



Technical advantages of CapsolEoP® driving economics



Inherent heat recovery

Additional district heating generation

Low energy consumption and fully electric Standalone unit simplifies integration

Safe and cost-effective handling of solvent

Capsol's technology can significantly reduce capture cost

EUR per ton CO₂ captured

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Source: Pareto Securities' 31st Annual Energy Conference for project numbers. Assumption: 4% WACC (Real), (incl. civil work, infrastructure, etc.). Incl. capture, liquefaction, transport and storage. Excl. subsidies and cost reduction mechanisms. Blended rate for Capsol studies.

Increasing energy savings at higher CO₂ concentration



Electricity cost for fully electric capture solutions

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1) Capsol client studies and publicly available data on energy costs for amine-based carbon capture systems. Assumptions: No heat integration, 800ktpa plant, EUR 80 per Mwh. 1. At 20% CO₂ concentration in flue gas.

Capsol energy savings turning cement CCS profitable

Making more projects viable, contributing to accelerated path to decarbonization



- Energy use typically 50% lower than traditional amine process.
- Stand-alone CCS unit + easy integration minimizing production downtime and lowers capex.
- More than 2,200 cement plants globally emit around 1.9 billion tons of CO₂ per year.¹
- Also profitable in US with current incentives.

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Assumptions: 900.000 tons CO₂ emissions, 20% CO₂ concentration, 95% capture efficiency, no free EU ETS allowances, 30% green premium on cement (based on consumer pricing on low-carbon cement and RMI), EUR 100 per EU emissions allowance 1 https://www.capturemap.no/carbon-capture-cement-industry/

Heat generation boosting EfW CCS projects' returns

CapsolEoP® adresses customer needs to provide additional revenue streams





Assumptions: 218,000 tons waste processed, 200,000 tons CO₂ emissions, 50% biogenic CO₂ split, 92% capture efficiency, no free EU ETS allowances, 20% green premium on electricity and gate fees, 75% utilization of district heating, Coefficient of Performance of 7.27, heat output at 100c, EUR 150 per CDR credt, EUR 100 per EU emissions allowance, electricity cost of EUR100/MWh, district heat revenue of EUR 83.5/MWh. Allin CCS costs, excl. general district heating costs such as distribution networks, maintenance, etc. 1 https://www.capturemap.no/the-ccs-potential-for-waste-to-energy-plants/

CapsoIGT® target segments

Data centers – Reliable electricity production.

Electricity and heat production – Affordable clean power.

Midstream gas transportation – Decarbonizing infrastructure.

Industrial applications – Brownfield open cycle turbines.

Vast market – Our industrial partners' existing fleet consists of more than 3,000 open cycle gas turbines in relevant size



Powering datacenters with CapsoIGT®

Reliable low carbon electricity generation from natural gas



- Al driving data centers demand for green electricity.
- Buyers willing to pay USD 115¹ per MWh for *low* emission AND reliable electricity.
- CapsolGT[®] can deliver *low emission* AND *reliable* electricity with a USD 50 margin.



1 Estimate by Jefferies; Microsoft reportedly paying USD115 / MWh for its Three Mile Island deal (Power purchase from nuclear power plant). 2 Assumptions: 63 MW output with carbon capture. Includes cost of capture. Study from Audubon Engineering. Lazard LCOE v.17 used for CCGT range. 250ktpa CO₂, USD100 per MWh, continuation of scheme similar to IRA 45Q through lifetime, static utilization through asset lifetime, opex estimates for gulf coast location, including transport and storage of CO₂. WACC of 7.7%.

Financials

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Investing to leverage technology leadership

H1 equity raises deployed to growth opportunities	Revenues funding operational costs
Revenue NOK 21.6 million +80% vs Q3 2023	Pre-tax profit NOK -5.9 million Compared to NOK -9.5 million in Q3 2023

- NOK 109 million raised in H1 2024 being deployed in new products, new markets and new revenue streams.
- Revenues funding cost of operations as we move towards profitable licensing agreements.
- Revenue growth driven by increased demand for engineering and CapsolGo[®] campaigns.
- Pre-tax profit improved year-over-year.

Q3 cash flow – CapsolGo[®] capex close to completion

Cash flow for Q3 2024 (mNOK)



Drivers for differences between P&L and CF:

- Investments of NOK 12.8 million, of which ~95% into CapsolGo[®] program.
- NOK 10 million of CapsolGo[®] capex remaining improving cash flow going forward.
- Increase in net working capital due to timing of payments; balance mostly settled after the reporting date.

Fully funded on current business plan

Contracted revenue and committed costs next 12m (mNOK)



- Fully funded based on contracted revenue.
- Considerable revenue upside from engineering, CapsolGo[®] utilization¹ and licensing.
- Further investments in growth to be balanced with revenue generation.

Illustrative revenue and profit potential towards 2030

Target for emissionsRequired CCS projects by 2030reductions in 20301



Beyond technology licensing, potential for additional revenue growth paths, including recurring revenue



Concluding remarks and Q&A

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Milestones expected next 6-12 months

De-risking the path towards long-term goals and revenue potential

Bringing CapsolGT[®] to market

Moving to next steps of commercialization, towards FEED

New CapsolGo[®] deployments

Generating high margin revenue and supporting acceleration of license agreements and FIDs

Engineering contract awards

Growing project pipeline and expanding future revenue potential

Stockholm Exergi FID¹

Entering next phase of commercialization with first technology licensing revenue

New licensing agreements

Proving technology attractiveness for additional industries and growing revenue and profits

Expanding partnerships

Increasing Capsol's ability to reducing capture costs and capturing market share

Additional government-backed incentives could further de-risk the CCS market opportunity





Capsol has a differentiated and highly competitive technology platform

...and a scalable business model set to yield attractive returns

Revenues +80% and mature pipeline +60% y-o-y to 15 million tons of CO₂

Progress driven by increasingly strong Capsol carbon capture business case

Positioned for significant growth and value creation





Appendix

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Enabling a sustainable future

Vision

To accelerate the world's transition to a net zero future

Mission

Deliver energy-efficient and safe carbon capture technologies

A portfolio of technologies to meet large emitters' needs

	CapsolGo®	CapsolEoP®	CapsolGT®	
	Co	EOP	GT	
Description	Mobile demonstration unit with all-inclusive service package	A complete carbon capture solution for large-scale CO_2 -emitters	A complete carbon capture solution for large-scale gas power and industrial gas turbine applications	
Rationale	Accelerate investment decision for full- scale carbon capture plants	Offer an attractive solution for large- scale industrial CO ₂ -emitters	Decarbonize hard-to-abate gas power	
Capacity	Up to 700 tons CO_2 /year	100,000 to 1 million tons CO ₂ /year	12,000 - 400,000+ tons CO ₂ /year	
Electricity consumption	N/A	0.5-1.5 (GJ per ton of CO2 captured)	5-10 percentage points energy efficiency gain for open cycle turbines	

Illustration of the CapsolEoP® process

A full capture solution for CO₂-emitting industries

Cement, **biomass**, **energy-from-waste** (EfW), **power generation** and **large industrials**

Capture capacity from 100,000+ tons CO₂/year

Stand-alone end-of-pipe (EoP) solution, **easy retrofit** with parent plant

District heating integration - maximizes efficiency

Flexible configuration - minimal electricity consumption or maximum district heating output



Delivering performance beyond CCS industry standards



Proven technology with over 11,000 hours of operation



Licensing agreements overview

	exergi	Large European utility	kva linth energie+recycling	
Project capture capacity (tons)	800,000	550,000	120,000	
Key milestones	Signed: Q3 2022Expected FID: Q4 2024	Signed: Q4 2023Expected FID: 2026	Signed: Q1 2024Expected FID: 2026/2027	
Terms	At a discount to the target range as a result of Stockholm Exergi being a first mover	Within the new target range of EUR 10-15 ² /ton capacity installed (former target range of EUR 7-12/ton)		

Target increased in May 2024 after proving market acceptance for a higher price range per ton installed capacity



2030 goals for long-term value capture

Ambition

Becoming a leading global carbon capture technology company

- 1 Make point source carbon capture accessible and viable for more emitters
- 2 Top 3 position in target segments: cement, biomass, waste-to-energy and gas power plants
- 3 Achieve 5-10% carbon capture technology market share globally
- 4 Achieve a licensing revenue of EUR 10-15 per ton installed capacity
- 5 Achieve a pre-tax profit margin of 40-60%
- 6 Ensure presence in the largest geographical markets: Europe, North America, Southeast Asia, India, and the Middle East

Partnering with CCS industry pioneers for global scaling

Partnerships aimed at reducing carbon capture cost and capturing market share



Partners that provide additional/flexible engineering capacity include companies like Eickmeyer, Cyient, Aragon, and Carbon Circle

Ambition to further develop industrial partnerships globally in 2024 and beyond



Risks and mitigating actions

Key risk factors

Small player

Competitors

technologies

developing better

Mitigating actions

- Licensing model highly scalable with limited resources
- Partnering with big global players to greatly extend reach, capacity and capabilities
- A clear strategic roadmap for organic growth and opportunistic approach to inorganic growth
- Highly capable and incentivised team
- Prove cost competitiveness and continue to implement learnings from executed projects
- Sound strategy and routines for patent protection implemented, continue to invest in R&D
- Consider establishing projects with long cash flows
- Opportunistic approach to acquiring promising new technologies

Annual review to identify risk factors and implement mitigating actions overseen by the board of directors

Management



Wendy Lam, Chief Executive Officer

An extensive career as an executive at Baker Hughes, Rolls-Royce Marine (now Kongsberg Maritime) and GE. MBA from INSEAD/The Wharton School.



Ingar Bergh, Chief Financial Officer

>15 years as advisor and executive in the energy and shipping sectors. Engineering degree, MSc in Supply Chain Management, MBA Finance, Authorized Financial Analyst (CEFA).



Johan Jungholm, Chief Business Development

10 years in Business Development, Complex Sales and Marketing and 15 years in energy sector. BA in Geology and Environmental Science, University of Pennsylvania.



Robin Bodtmann – Managing Director Americas

 > 30 years of experience (Wood, Amec and Air Liquide), including delivering EPC projects. BS Biological Sciences, UNC Chapel Hill;
 BS Construction Management, ECU; MBA, Rice University.

Cato Christiansen, Chief Technology Officer

>20 years' experience from the energy sector. Former Shell, SPT Group and the Norwegian Ministry of Petroleum and Energy (CCS). PhD in Mechanical Engineering from NTNU.



Philipp Staggat, Chief Product Officer

>10 years at Siemens, including lead commissioning engineer and project manager, before joining CO2 Capsol. BSc Engineering Berlin University of Applied Sciences and MBA London Business School.



Sam Thivolle, Chief Delivery Officer

>20 years in the upstream oil&gas sector, and extensive experience in CCS. MBA (INSEAD); MSc Petroleum Economics (IFP); MEng Petroleum Engineering (Texas A&M); MSc Chemical Engineering (Chimie ParisTech).

Board



Endre Ording Sund, Chair

>40 years with management and board positions in the energy, banking and shipping sector.

Royal Navy Academy, Norwegian School of Management, Harvard Business School.



Wayne G. Thomson, board member

Extensive international career as a top executive within oil and gas, former Chairman of Svante Inc.

B.Sc. in Mechanical Engineering from University of Manitoba.



Monika Inde Zsak, board member

Extensive career within energy, renewables, sustainability. MSc in industrial engineering and finance from NTNU and University of New South Wales, Australia (UNSW).



John Arne Ulvan, board member

Extensive career as a top executive with strong results from national, international and listed companies. M.Sc. In Chemistry/Chemical Engineering from NTNU.



Ellen Merete Hanetho, board member

Experience from Brussels Stock Exchange, Citibank, Goldman Sachs, Credo Partners, Frigaardgruppen and Cercis.

BSBA from Boston University, MBA from Solvay University, executive training from INSEAD and Harvard Business School.

Patent portfolio overview

Patent family 1: Low emission thermal powerplant	Patent family 2: Combined storage solution for natural gas and CO ₂	Patent family 3: Method and plant for transport of rich gas	Patent family 4: Thermal power plant with CO ₂ sequestration	Patent family 5: Purification of flue gas from marine diesel engines	
Patent family 6: Oil sand production without CO ₂ emission	Patent family 7: Heat integration in CO_2 capture	Patent family 8: Method and plant for CO_2 capture	Patent family 9: Heat recovery for CO ₂ capture (pending)	Patent family 10: Method and plant for CO_2 capture from a district heating plant (pending)	Patent family 11: Energy integration of CO2-capture with a powerplant (pendin

Value chain overview

	☐ ☐ L J Carbon capture technology	EPC ¹	Operations and maintenance	Liquefaction & intermediate storage	<u>मिक्</u> Transport	Storage
CO ₂ emission/ plant	 Technology licensed out globally directly or though partners (re- sale) Sales engineering 	 Client selects independent provider or via Capsol partnerships Competitive bidding is important for client to reduce overall cost Capsol supports client through both the EPC tendering process and actual EPC work 	 Client selects independent provider or operates themselves Capsol offers support and expertise, in addition to optimized technical solutions during lifetime of projects 	 Client selects independent provider Capsol intergrate energy waste from liquefaction to reduce energy consumption in the capture plant 	 Clients selects independent provider Capsol can provide independent advice to client 	 Client selects independent provider Capsol can provide independent advice to client

Supporting client through the value chain, but client remains free to choose providers

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Our vision is to accelerate the worlds transition to a net zero future