



Interim report Q3 2024

November 5, 2024



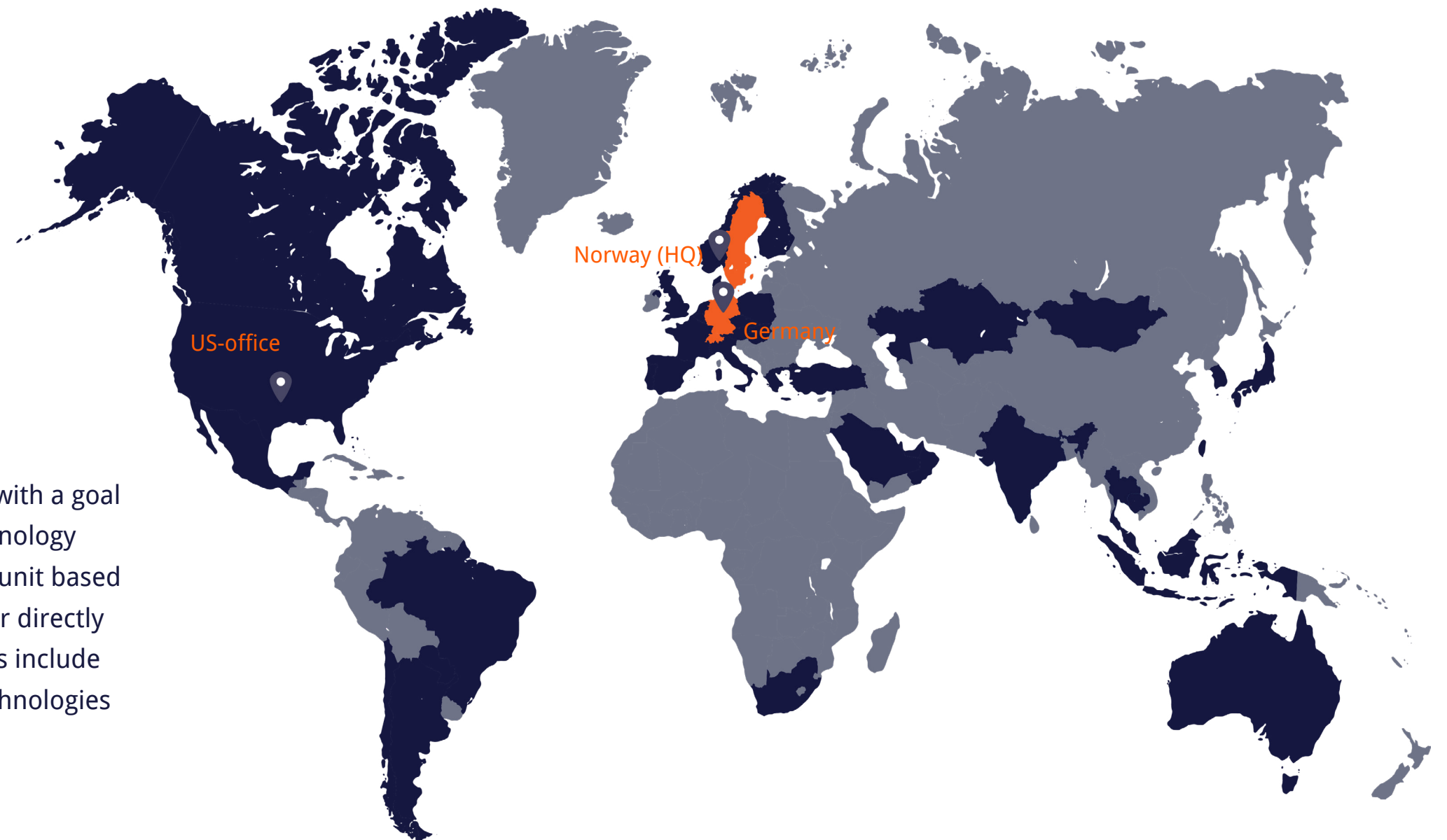


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Accelerating the world's transition to a net zero future

About Capsol Technologies

Capsol Technologies ASA is a carbon capture technology provider with a goal of accelerating the world's 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 CO₂/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 is currently operating in Sweden; a second is being prepared for its next campaign in Latvia; and a third is in the workshop, prepared for its next campaign.

CapsolEoP®

A complete carbon capture solution for large-scale CO₂ emitters.

Offer an attractive solution for large-scale industrial CO₂-emitters.

100,000 to 1 million tons CO₂/year.

0.5-1.5 (GJ per ton of CO₂ 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 and biomass plants (BECCS) and preliminary license agreement for EfW plant in Switzerland.

CapsolGT®

A complete carbon capture solution for large-scale gas power and industrial gas turbine applications.

Decarbonize hard-to-abate gas power.

12,000 - 400,000+ tons CO₂/year.

5-10 percentage points energy efficiency gain for open cycle turbines.

Aeroderivative and industrial 2-120+ MW gas turbines.

Brought to market together with leading gas turbine suppliers.

Highlights in period

Steady demand growth

- Revenues up 80% to NOK 21.6 million, compared to same period in 2023.
- Project pipeline up ~60% to 15 million tons CO₂, representing potential pre-tax profits of more than NOK 1.2 billion.
- Growing traction in cement sector with award of feasibility study from cement producer in Germany and CapsolGo® campaigns with SCHWENK, a leading European cement producer.

Lower cost solution yields attractive returns for emitters

- 20-60% lower capture cost relative to amine-based solutions, driven by energy efficiency and lower complexity.

- Recent studies confirm Capsol projects can yield highly attractive financial returns for emitters.
- CapsolGo® has gained over 15,000 hours of operation at customer sites, building experience to further optimize Capsol's solution based on decades-proven chemistry and 15+ years of R&D.

Investing to maintain technology leadership

- Expanding technology platform, geographical presence and service offering.
- Current business plan fully funded with committed engineering work, demonstration campaigns and a NOK 66.0 million cash balance.
- Further investments in growth to be balanced with revenue generation.

Comment from CEO Wendy Lam

“More and more emitters are seeing the business case for CCS, enabled by growing incentives, voluntary carbon markets and low energy use of Capsol's technology.



As the provider of one of the few proven and ready-to-deploy CCS technologies globally, we now have a mature pipeline of 15 million tons of CO₂, where 3.25 million tons are CapsolGo® demonstration campaigns and 1.35 million tons are signed license agreements. 15 million tons of CO₂ equals emissions from more than 3.5 million cars and vans or electricity and heating for 1.5 million US households annually.

We continue to see increasing demand from cement plant owners looking to decarbonize their operations. CapsolEoP® can operate with up to 50% lower energy use than traditional post-combustion technologies such as amines. This, together with reduced complexity, has the potential of reducing levelized capture costs by 20-60%.

In Q4 2024, we look forward to starting our first demonstration campaign within cement for SCWHENK, one of the leading European manufacturers, capturing CO₂ from flue gases of two cement plants with a full-scale capture potential of 1.5 million tons of CO₂ per year.

For energy-from-waste and biomass plants, our CapsolEoP® (end-of-pipe) solution has a unique selling point beyond the lower capture cost. Due to our technology's inherent heat recovery and generation, heat can be sent into the district heating network providing plant owners with an additional revenue stream. For one specific project in Europe the revenue potential is EUR 10 million per year.

For CapsolGT®, our carbon capture solution for gas turbines, we are in mature discussions with gas turbine operators and greenfield project developers mainly focused on gas power plants. Additionally, we are exploring the potential for CapsolGT® to decarbonize data centres, which typically are powered by natural gas. This could represent another attractive growth opportunity for our company."

A handwritten signature in black ink, appearing to read 'Wendy Lam'. The signature is fluid and cursive.

Wendy Lam, CEO of Capsol Technologies ASA

Key figures

Amounts in NOK million	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Total operating revenue	21.6	12.0	58.1	18.6	34.2
Income/-loss before income tax	-5.9	-9.5	-35.9	-35.4	-43.4
Net cash flow from operating activities	-9.3	-3.6	-38.5	-19.5	-4.9
Net cash flow from investing activities	-12.8	-4.1	-28.3	-25.0	-51.3
Net cash flow from financing activities	-5.3	-3.0	90.3	6.0	39.2
Cash and cash equivalents (end of period)	66.0	23.5	66.0	23.5	41.6
Basic and diluted earnings per share	-0.11	-0.18	-0.60	-0.66	-0.81

Operational review

Projects

CapsolGo® campaigns at Swedish biomass and energy-from-waste (EfW) plants

In June 2024, a CapsolGo® unit was deployed at Växjö Energi AB's (VEAB) 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 CO₂ per 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. The campaign at VEAB is expected to be concluded in October 2024, after which the unit will be deployed at Mälarenergi's energy-from-waste (EfW) plant in Västerås, Sweden, which has a full-scale potential of about 200,000 tons of CO₂ per year.

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 were 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. In Q3 2023, Capsol delivered a liquefaction unit to support the CapsolGo® campaign. The demonstration campaign was completed with positive results in Q2 2024. Upon request from the client, further commercial testing was performed in Q3 2024. The unit is expected to stay on site until November 2024 for internal Capsol R&D testing.

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 is 280,000 tons of CO₂ per year including a 50% share of biogenic CO₂, for which it can generate negative emissions credits. The CapsolGo® campaign was also completed with positive results in July 2024. The unit is currently in the workshop in preparation for its next campaign.

License agreement for BECCS at Stockholm Exergi Värtaverket

The biomass-powered combined heat and power plant Värtaverket in Stockholm, Sweden, was Capsol's first license agreement for CapsolEoP®. With a full-scale deployment of 800,000 tons of CO₂ per year, Värtaverket will be Europe's first large-scale negative emissions plant.

During Q2 2024, Stockholm Exergi signed permanent carbon removal agreements with Microsoft and The Frontier fund backed by Alphabet Inc. and Meta Platforms. On April 15, 2024, the Swedish government announced a cooperation with Norway, Denmark, Netherlands and Belgium for the transport and storage of captured CO₂ across borders, which removes some of the obstacles on the way to a well-functioning CO₂ 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 following the close of the first submission window on November 21, 2024. Additionally, the Stockholm Exergi BECCS project was 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 according to the latest communication from Stockholm Exergi.

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 CO₂ per year. The agreed license fee is within the updated target price range. FID, which triggers a license fee payment to Capsol, is expected before end-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. Delivery of these PDP's has progressed well in Q3.

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 in Switzerland with a carbon capture potential of more than 120,000 tons of CO₂ per year, of which half of the CO₂ is biogenic, enabling additional revenue from negative emissions credits. Capsol has previously delivered a feasibility study for the plant.

New contracts

During the quarter Capsol Technologies were awarded three contracts, adding a potential of 2.25 million tons of annual CO₂ capture to the mature project pipeline.

CapsolGo® demonstration campaigns for cement plants in Europe

Capsol Technologies signed a contract for the delivery of two CapsolGo® carbon capture demonstration campaigns at two of SCHWENK's cement plants in Europe. The plants have a full-scale potential of 1.5 million tons CO₂, of which 750,000 tons was already counted for in the mature project pipeline by end Q2 2024.

Feasibility study for cement project in Germany

Capsol Technologies has been awarded a feasibility study for the CapsolEoP® carbon capture technology at a cement plant in Germany. The study is for a plant aiming to capture 750,000 tons of CO₂ per annum.

Feasibility study for BECCS project in Europe

Capsol Technologies was awarded a feasibility study for CapsolEoP® at a large-scale biomass-fired heat and power plant in Europe, building on the company's track record within BECCS. The study will be conducted in Q3 2024 for a plant aiming to capture between 500,000 and 1,000,000 tons of CO₂ per annum.

Sales pipeline

Capsol has a considerable sales pipeline consisting of more than 100 projects, representing more than 50 million tons of annual CO₂ capture capacity, and continued to see strong incoming demand throughout Q3 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 15 million tons of annual CO₂ capture capacity if developed into full-scale capture plants.

Financial review

Financial performance

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

The company successfully raised net proceeds of NOK 109 million in H1 2024, which currently is being deployed in attractive growth opportunities including new markets, new solutions and new revenue streams.

Total operating income amounted to NOK 21.6 million in Q3 2024, compared to NOK 12.0 million in Q3 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® demonstration campaigns but with increasing contribution from engineering deliveries to develop projects towards FID and license revenue.

Capsol has over time been in a position where the demand for paid engineering studies surpasses the company's capacity to deliver, which is still the case. This enables the company to gradually scale, balance its investment levels and cash position and make sound priorities when allocating its engineering resources towards either projects that have high chance of generating paid engineering studies and, eventually, licensing revenue versus initiatives that can accelerate long-term value creation, such as investments in R&D to improve technology performance or IP protection.

Summary of profit and loss

	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Amounts in NOK million					
Revenue	21.6	12.0	58.1	18.6	34.2
Total operating revenue	21.6	12.0	58.1	18.6	34.2
Operating income/-loss	-7.5	-8.7	-34.6	-33.6	-41.5
Net financial income/-loss	1.6	-0.8	-1.3	-1.7	-1.9
Income/-loss before income tax	-5.9	-9.5	-35.9	-35.4	-43.4
Net income/-loss	-5.9	-9.5	-35.9	-35.4	-43.4
Basic and diluted earnings per share	-0.09	-0.18	-0.60	-0.66	-0.81

There have been some operational delays on the CapsolGo® demonstration campaigns due to issues including delayed delivery of equipment, spare parts and supplier performance, which are not related to the performance of the technology. The delays will, however, delay the deployment to the next campaign. Measures have been taken to ensure better utilization and uptime of the units, as well as to improve the margins on the existing campaigns.

Total operating expenses were NOK 29.1 million in the quarter, contributing to an operating loss of NOK 7.5 million vs. a loss of NOK 8.7 million in the corresponding period in 2023 as the company is investing in growth.

Net financial items were NOK 1.6 million in Q3 2024 compared to NOK -0.8 million in the corresponding quarter last year.

Pre-tax loss amounted to NOK -5.9 million for Q3 2024, relative to a loss of NOK -9.5 million in Q3 2023, with the improved result primarily driven by increased revenues and positive net financials.

Cash flow summary

	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Amounts in NOK million					
Net cash flow from operating activities	-9.3	-3.6	-38.5	-19.5	-4.9
Net cash flow from investing activities	-12.8	-4.1	-28.3	-25.0	-51.3
Net cash flow from financing activities	-5.3	-3.0	90.3	6.0	39.2
Net increase/(decrease) in cash and cash equivalents	-27.3	-10.7	23.5	-38.5	-17.0
Cash and cash equivalents as at beginning of period	92.6	33.6	41.6	61.6	61.6
Effect of change in exchange rate	0.7	0.6	0.9	0.4	-2.9
Cash and cash equivalents as at end of period	66.0	23.5	66.0	23.5	41.6

Cash flow

Net cash flow from operating activities was NOK –9.3 million in Q3 2024, while the comparable figure for Q3 2023 was NOK –3.6 million.

The Q3 2024 difference between operating profit/loss and net cashflow from operating activities relates mainly to a marked increase in trade and receivables as well as prepaid revenue of NOK 2.1 million. The increase in trade and receivables was due to several unpaid client invoices, some due to stringent verification processes with large corporate clients, and some due to timing of payment vs quarterly cutoff. Based on payments received after quarter close, the net working capital is set to normalize in Q4 2024, and the cash position was higher at end October vs end September.

Net cash flow from investment activities was NOK -12.8 million in the quarter, compared to NOK -4.1 million in Q3 last year. Investments related to payments on the CapsolGo® Liquefaction units of NOK 9.0 million, NOK 3.0 million in payments on CapsolGo® units, as well as some capitalized development cost of digital tools that can generate additional revenue streams when CCS plants with Capsol's technology become operational.

Net cash flow from financing activities in Q3 2024 was NOK -5.3 million and net change in cash and cash equivalents was NOK -27.3 million.

The Company held NOK 66.0 million in cash and cash equivalents by the end of Q3 2024, compared to NOK 92.6 million at the end of Q2 2024.



Financial position

Total assets by the end of Q3 2024 were NOK 201.6 million, up from NOK 87.6 million by the end of Q3 2023. NOK 102.0 million was non-current assets, including NOK 82.2 million in plant and equipment. Current assets were NOK 99.7 million with NOK 66.0 million in cash and bank deposits.

Total equity was NOK 112.9 million, corresponding to an equity ratio of 56.0%.

Total liabilities amounted to NOK 88.7 million, of which short-term liabilities was NOK 53.7 million.

Total debt to financial institutions was NOK 49.0 million, of which NOK 19.2 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 September 30, 2024, the company had 62,898,669 issued shares, divided between 1,154 shareholders.

The closing price for the company's shares was NOK 12.75 per share as of September 30, 2024, which corresponds to a market capitalization of NOK 802 million.

20 largest shareholders September 30, 2024

Rederieraktieselskapet Skrim	9 546 474
Seteo AS	5 172 677
Aquila Holdings Investment AS	4 033 188
DNB Bank ASA	3 307 471
MP Pensjon PK	2 886 800
T.D. Veen AS	2 093 202
Alphecca AS	1 844 136
Danske Bank A/S	1 827 321
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	1 030 000
Q Capital AS	998 490
Tone Bekkestad AS	772 673
Total	45 273 659

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 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 technology is becoming a crucial tool in reducing CO₂ emissions from industrial facilities, helping limit global warming and avoid climate change. The market is poised for rapid growth as governments and businesses seek to meet stricter environmental targets.

Key drivers of demand include government policies, like the US Inflation Reduction Act (IRA), which offers up to USD 85 per ton of captured CO₂, incentivizing industries to adopt CCS solutions. Currently, over 500 CCS projects are in the pipeline, with 75% of planned capacity located in North America and Europe.

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 CO₂ 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 CO₂ emission.

With an ETS price of 100 EUR/ton CO₂ and emissions of 0.6 tons CO₂ /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 must be sanctioned 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. Recent government commitments are set to further fuel market expansion.

- On 23 August, The Swedish Energy Agency began accepting applications for a EUR 3.2 billion investment in bioenergy with carbon capture and storage (BECCS).
- On 4 October, the UK earmarked EUR 26.6 billion for CCS, aiming to capture 20-30 million tons of CO₂ annually by 2030.
- On 9 October, The Danish Energy Agency launched a large-scale tender process for CCS projects, making available EUR 3.85 billion to fund various emissions reduction projects estimated to reduce Denmark's annual carbon emissions by 2.3 million tons CO₂ from 2030.

With major initiatives underway and more incentives expected, the demand for competitive CCS solutions is set to accelerate, positioning Capsol Technologies to capture significant market share.

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 October 1, 2024, Capsol Technologies was awarded a feasibility study by a cement producer in Germany for a plant aiming to capture 400,000 tons of CO₂ per annum. 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 third quarter of the consolidated financial report for the company.

Risks management

Capsol operates in a global market that is influenced by government subsidies, CO₂ 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 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 and 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 takes an opportunistic approach to opportunities that can expand its product offering, geographical footprint or business model. Continued cost inflation and delayed permitting processes with relevant authorities triggering possible postponements and cancellation of projects are other key risk factors.





Sunstone Energy | CapSol Technologies

CapsolGen® unit

How Does it Work?

Technology based on efficient heat recovery for low energy penalty and increased district heat production:

- Design uses aqueous solution of potash (K_2CO_3)
- Efficient: recovers internal energy and waste heat - only needs 0.7-1.5 GJ/tm of CO_2

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Capsol interim financial statements Q3 2024



Consolidated financial statements

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Consolidated statement of profit and loss

	Notes	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Amounts in NOK						
Revenue	4	21 570 680	12 016 309	58 070 164	18 603 917	34 160 224
Total operating revenue		21 570 680	12 016 309	58 070 164	18 603 917	34 160 224
Cost of contract fulfillment		5 983 271	2 172 634	16 206 763	3 363 054	7 776 112
Personnel expenses	7	9 521 193	10 161 370	39 005 006	26 097 896	37 426 643
Depreciation expenses	6	4 660 035	2 436 968	9 458 744	5 787 747	8 169 069
Other operating expenses		8 886 876	5 945 323	28 000 297	16 976 215	22 269 643
Total operating expenses		29 051 375	20 716 295	92 670 810	52 224 912	75 641 466
Operating income/-loss		-7 480 697	-8 699 986	-34 600 647	-33 620 995	-41 481 242
Financial income and expenses						
Other interest income		252 828	85 080	658 132	121 543	1 010 363
Other financial income		2 830 495	1 092 289	5 811 728	1 565 768	3 990 313
Other interest expenses		-1 090 556	-750 752	-3 733 551	-1 465 354	-2 479 973
Other financial expenses		-415 543	-1 265 391	-4 069 178	-1 959 813	-4 447 959
Net financial income/-loss	5	1 577 224	-838 775	-1 332 869	-1 737 857	-1 927 256
Income/-loss before income tax		-5 903 473	-9 538 761	-35 933 516	-35 358 851	-43 408 498
Income tax expense						
Net income/-loss		-5 903 473	-9 538 761	-35 933 516	-35 358 851	-43 408 498
Basic and diluted earnings per share		-0,09	-0,18	-0,60	-0,66	-0,81

Consolidated statement of comprehensive income

	Notes	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Amounts in NOK						
Net income/-loss		-5 903 473	-9 538 761	-35 933 516	-35 358 851	-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
		-	-	-	-	-
Total comprehensive income/-loss for the period		-5 903 473	-9 538 761	-35 933 516	-35 358 851	-43 409 265

Consolidated statement of financial position

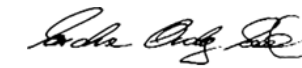
	Notes	30 Sep 2024	30 Sep 2023	31 Dec 2023
Amount in NOK				
ASSETS				
Non-current assets				
Intangible assets	6	12 755 173	6 951 975	7 337 512
Plant, property and equipment	6	82 204 846	44 499 162	67 267 596
Right of use assets		6 991 544	9 033 203	8 522 788
Total non-current assets		101 951 563	51 451 138	83 127 897
Current assets				
Accounts receivables		19 472 911	6 727 955	9 821 949
Contract assets		502 510	2 787 251	1 735 104
Other short-term receivables		13 693 397	3 126 171	9 126 653
Cash and cash equivalents		65 989 028	23 466 686	41 615 681
Total current assets		99 657 846	36 108 064	62 599 387
Total assets		201 609 409	87 559 202	145 727 285

Consolidated statement of financial position

Notes	30 Sep 2024	30 Sep 2023	31 Dec 2023
Amount in NOK			
EQUITY AND LIABILITIES			
Equity			
Share capital	31 449 334	26 766 698	26 766 698
Share premium	186 058 374	81 072 850	81 072 850
Other paid in capital	25 324 417	17 329 947	20 107 188
Other equity	-129 955 800	-85 971 864	-94 022 283
Total equity	112 876 325	39 197 630	33 924 453
Liabilities			
Non-current liabilities			
Lease liability	5 113 197	7 105 506	6 621 710
Debt to financial institutions	29 845 428	15 103 080	45 212 693
Total non-current liabilities	34 958 625	22 208 586	51 834 403
Current liabilities			
Trade creditors	15 190 549	5 878 257	15 324 695
Lease liabilities	1 992 308	1 844 730	1 880 567
Contract liabilities	8 521 403	8 165 072	13 660 071
Current-portion of debt to financial institution	19 187 700	15 922 452	18 500 894
Public duties payable	1 838 557	488 629	3 070 631
Other current liabilities	7 043 939	2 887 049	7 531 571
Total current liabilities	53 774 457	35 186 189	59 968 429
Total liabilities	88 733 082	57 394 775	111 802 832
Total equity and liabilities	201 609 409	96 592 405	145 727 285

Oslo, November 4, 2024
The board of Capsol Technologies ASA

Endre Ordning Sund
Chairman of the board



Monika Inde Zsak
Member of the board



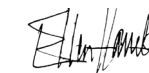
John Arne Ulvan
Member of the board



Wayne Thomson
Member of the board



Ellen Merete Hanetho
Member of the board



Wendy Lam
Chief Executive Officer



Consolidated statement of cash flows

	Notes	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Amounts in NOK						
CASH FLOW FROM OPERATING ACTIVITIES						
Profit/(loss) before income tax		-5 903 473	-9 538 761	-35 933 516	-35 358 851	-43 408 498
<i>Adjustments to reconcile profit/loss before tax to net cash flow:</i>						
Depreciation and amortisation expenses	6	4 660 035	2 436 968	9 458 744	5 787 747	8 169 069
Finance (income)/expense net	5	-1 577 224	838 775	1 332 869	1 737 857	1 927 256
<i>Working capital changes:</i>						
Change in trade and other receivables		-7 572 244	-4 213 595	-9 641 962	-4 732 480	-7 826 474
Change in trade and other payables		4 916 837	1 398 086	- 134 146	3 882 458	13 945 616
Change in other current assets and liabilities		- 803 007	4 868 482	-5 508 944	2 064 500	2 416 217
Change in contract balances		-2 110 996	-1 477 936	-3 906 074	4 194 005	11 924 967
Share based compensation scheme without cash impact	7	780 649	2 737 223	5 217 228	2 862 435	5 639 676
Share based compensation employment tax	7	-2 350 609	530 185	-486 505	1 228 959	1 302 266
Interests received		252 828	85 080	658 132	121 543	1 008 606
Currency translation effects		308 905	-1 251 386	415 554	-1 307 824	-
Net cash flow from operating activities		-9 398 295	-3 586 879	-38 528 618	-19 519 651	-4 901 300
CASH FLOW FROM INVESTMENT ACTIVITIES						
Payment for property plant and equipment	6	-12 025 694	-4 058 599	-22 540 904	-26 186 619	-51 218 785
Payment for intangible assets		- 760 618	-	-5 741 506	-	-1 292 394
Government grants received on investment activities		-	-	-	1 211 545	1 211 545
Net cash flow from investing activities		-12 786 312	-4 058 599	-28 282 410	-24 975 074	-51 299 634

Consolidated statement of cash flow

	Notes	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
CASH FLOW FROM FINANCING ACTIVITIES						
Net equity received		1 100 000	-	109 668 161	-	-
Proceeds from borrowings		-	- 70 844	-	12 633 918	48 996 532
Repayment of borrowings		-4 796 925	-1 766 239	-14 216 120	-4 066 239	-5 822 146
Repayment of lease liability		- 474 575	- 439 423	-1 396 771	-1 078 387	-1 526 346
Interests paid on borrowings		- 947 460	- 572 502	-3 277 303	-1 163 380	-2 008 285
Interests paid on lease liability		- 143 097	- 178 250	-456 249	- 301 974	- 471 688
Net cash flow from financing activities		-5 262 057	-3 027 258	90 321 718	6 023 938	39 168 097
Net increase/(decrease) in cash and cash equivalents		-27 446 664	-10 672 737	23 510 690	-38 470 787	-17 032 838
Cash and cash equivalents as at beginning of period		92 589 529	33 603 286	41 615 681	61 565 235	61 565 235
Effect of change in exchange rate		846 164	536 136	862 658	372 238	-2 916 715
Cash and cash equivalents as at end of period		65 989 029	23 466 686	65 989 029	23 466 687	41 615 681

Consolidated statement of changes in equity

	Notes	Share capital	Share premium	Other paid in capital	Currency trans adjustment	Other equity	Total equity
Balance at Jan 1, 2024		26 766 697	81 072 850	20 107 188	-451	-94 021 832	33 924 453
Profit for the year		-	-	-	-	-35 933 516	-35 933 516
Other comprehensive income IFRS		-	-	-	-	-	-
Share capital issue February 16, 2024		3 502 637	78 635 894	-	-	-	82 138 531
Share capital issue June 5, 2024		1 125 000	25 304 628	.	-	-	26 429 628
Execution of employee share options	7	55 000	1 045 000	-	-	-	1 100 000
Share based compensation August 14, 2024		-	-	5 217 229	-	-	5 217 229
Other changes to equity		-	-	-	-	-	-
Balance at Sep 30, 2024		31 449 334	186 058 373	25 324 417	-451	-129 955 348	112 876 325
							-
Balance at Jan 1, 2023		53 533 395	81 072 850	14 467 512	317	-77 380 031	71 694 043
Profit for the year		-	-	-	-	-35 358 851	-35 358 850
Other comprehensive income IFRS		-	-	-	-	-	-
Share based compensation		-	-	2 862 435	-	-	2 862 436
Other changes to equity		-	-	-	-	-	-
Balance at Sep 30, 2023		53 533 395	81 072 850	17 329 948	317	-112 738 881	39 197 630

Notes to the consolidated financial statements

Note 1 General information

The accompanying interim financial statements of Capsol Technologies ASA, for the period ending September 30, 2024, and the comparable interim financial statements for the period ending September 30, 2023, were authorized for issue on November 4, 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

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 third quarter is defined as the reporting period from July 1, to September 30.

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

There are no significant changes, events and transactions in the current reporting period.

Note 4 Operating revenue

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

Geographical distribution	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Amounts in NOK					
Europe	21 570 680	18 603 917	58 070 164	18 603 917	34 160 224
US					
Total operating revenue	21 570 680	18 603 917	58 070 164	18 603 917	34 160 224
Timing of recognition					
At point time	3 815 939	1 073 040	11 544 190	1 441 552	3 247 363
Overtime	17 754 741	17 530 877	46 525 974	17 162 365	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

	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Amounts in NOK					
Other interest income	252 828	85 080	658 132	121 543	1 010 364
Currency gain	2 830 495	1 092 289	5 811 728	1 565 768	3 990 313
Other interest expense	- 947 459	- 572 502	-3 277 302	-1 163 380	-2 204 945
Interest expense lease	- 143 097	- 178 250	- 456 249	- 301 974	- 471 688
Currency loss	- 415 543	-1 265 391	-4 069 178	-1 959 813	-4 256 881
Total net financial items	1 577 224	- 838 775	-1 332 869	-1 737 857	-1 932 837

Note 6 Intangible assets and property, plant and equipment

Intangible assets	30 Sep 2024	30 Sep 2023	31 Dec 2023
Amounts in NOK			
Accumulated cost at Jan 1	8 632 894	7 340 500	7 340 500
Additions	5 741 506	798 909	1 292 394
Accumulated cost at Sep 30	14 374 400	8 139 409	8 632 894
Accumulated depreciation and impairment at Jan 1	-1 295 382	- 863 588	- 863 588
Amortisation for the period	- 323 844	- 323 844	- 431 794
Accumulated depreciation and impairment Sep 30	-1 619 226	-1 187 432	-1 295 382
Net carrying amount at Sep 30	12 755 173	6 951 977	7 337 512
Depreciation method	Straight line	Straight line	Straight line
Useful life patents	17	17	17

Property, plant and equipment	30 Sep 2024	30 Sep 2023	31 Dec 2023
Amounts in NOK			
Accumulated cost at Jan 1	76 308 855	23 878 525	25 090 070
Additions	22 540 904	25 387 709	51 218 785
Government grants	-2 511 228	-	-2 511 228
Accumulated cost at Sep 30	96 338 531	49 266 234	73 797 627
Accumulated depreciation and impairment at Jan 1	-6 530 031	- 286 244	- 286 244
Depreciation for the period	-7 603 654	-4 480 828	-6 243 787
Accumulated depreciation and impairment Sep 30	-14 133 685	-4 767 073	-6 530 031
Net carrying amount at Sep 30	82 204 846	44 499 162	67 267 596
Depreciation method	Straight line	Straight line	Straight line
Useful life	5	5	5

Intangible asset additions

The additions of the intangible assets per September, 2024 were from NOK 545,872 (in Q3, 2024 NOK 240,530) related to the Digital Platform and NOK 5,195,634 (in Q3 2024 NOK 520 089) from capitalization of R&D, a total of NOK 5,741,506.

Intangible asset depreciation

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

Depreciation of Right of used assets

The profit and loss depreciation cost of NOK 9,458,744 in 2024, also includes depreciation cost from the use of right assets, which amounts to a total of NOK 1,531,246 in 2024. In Q3 the depreciation cost of the use of right assets were NOK 510,416.

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	Exercise price	Proceeds if exercised
Issued shares as of September 30, 2024	62 898 669	62 898 669		
Share-based compensation	5 740 000	5 585 500	11,43	63 842 265
Total as of Sep 30, 2024	68 638 669	68 484 169		63 842 265

On August 14, 2024, a former member of the Company's board of directors and a former employee exercised respectively 100,000 and 10,000 options (in total 110,000 options) under the Company's share incentive programme at a strike price of NOK 10 per share. Thus, the board of directors issued 110,000 new shares at a subscription price of NOK 10 per share, pursuant to the board's authorization to issue new shares granted in the Company's annual general meeting on May 8, 2024.

At September 30, 2024, a total of 5,585,500 of the options had been issued with an average strike price of NOK 11.43. Assuming all options are issued and exercised the total number of shares outstanding will be 68,638 669.

Hence, issued shares as of September 30, 2024, amounted to 62,898,669. If all options are issued and exercised the total number of shares outstanding will be 68,638,669.

Amounts in NOK	Q3 2024	Q3 2023	YTD 2024	YTD 2023	2023
Cost recognized related to share based compensation	780 649	2 737 223	5 217 228	2 862 435	5 639 676
Share based compensation employment tax	-2 350 609	530 185	- 486 505	1 228 959	1 302 266
Total cost of the share based program	-1 569 960	3 267 408	4 730 723	4 091 394	6 941 942

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 balancesheet date, or any new information regarding existing matters, that can have a material effect on the third quarter of 2024 of the consolidated financial report for the Company.



capsol
technologies

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

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