

# Interim report Q4 and FY 2024

February 24, 2025







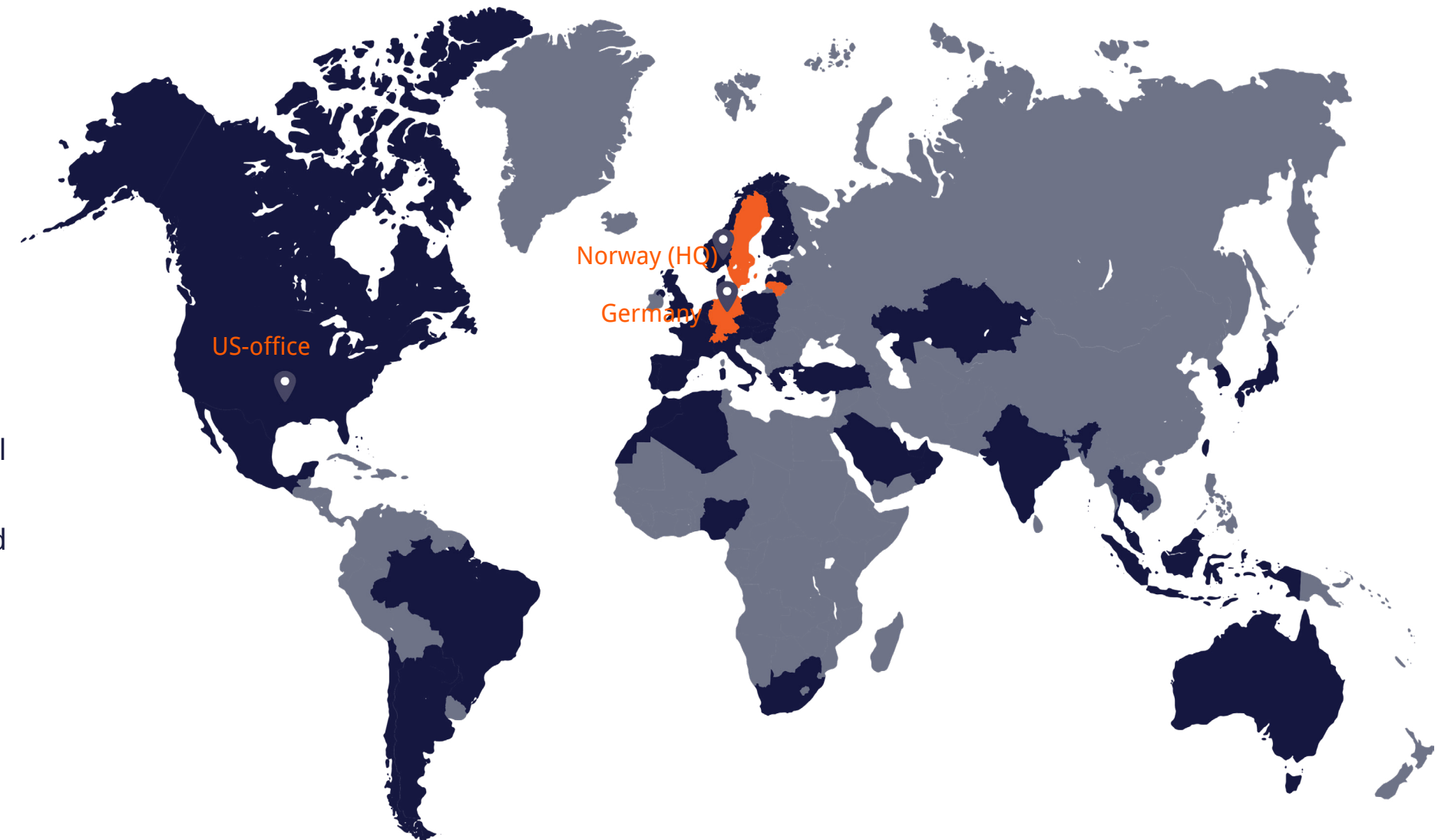
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# Accelerating the world's transition to a net zero future

## 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 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 is currently operating in Sweden; one is operating in Lithuania; and a third is in the workshop, preparing for its next campaign.

## CapsolEoP®

A complete carbon capture solution for large-scale CO<sub>2</sub> emitters.

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

100,000 to 1 million 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 in 2025. 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 CO<sub>2</sub>/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

## Strong revenue and sales pipeline growth

- First licensing revenue booked, Q4 2024 **first quarter with positive earnings**.
- **2.75x revenue increase** year-on-year with 2024 revenue of NOK 94.2 million.
- **45% year-on-year growth** in mature project pipeline reaching 17.2 million tons of annual CO<sub>2</sub> capture capacity, outpacing industry growth.
- **260 million EUR** in potential technology licensing revenue in mature pipeline, up EUR 100 million from 2023 driven by pipeline growth and pricing increase.
- **10+ million tons** of capture capacity in pipeline with potential Final Investment Decision (FID) 2025-2027, triggering licensing revenue.

## Capsol's technology verified by industry pioneers

- Stockholm Exergi set for FID after receiving EUR 1.7 billion from the Swedish government for developing and operating the world's first large-scale bio-CCS project.

- Project and Capsol's technology further verified through CO<sub>2</sub> removal agreement with Microsoft and Frontier, EU Innovation Fund support and environmental permit approval.

- Increasing commercial traction with leading industrials, including Holcim, SUEZ and other large clients with significant carbon capture needs.

## R&D initiatives set to drive performance and further value capture

- HPC R&D Center opened in Q4 2024, building industry-leading intellectual property and know-how, enabling increased cost-efficiency and project development speed.
- R&D project with Stockholm Exergi, KTH Royal Institute of Technology and AirZyme to develop a bio-based promoter for improved capture process.
- Technology development program to generate recurring revenue per ton captured in addition to current up-front license fee payments.
- Current business plan fully funded with committed engineering work, demonstration campaigns and a NOK 64.4 million cash balance.



# Comment from CEO Wendy Lam

**“Capsol is transforming carbon capture from a cost to a value driver – delivering more for customers while expanding revenue beyond licensing.”**



In the second half of 2024, Capsol reached a commercial inflection point, booking first licensing revenue and securing agreements with industrial leaders such as Holcim and SUEZ. While the world is lagging behind targeted net zero paths, our mature project pipeline within target industries is growing rapidly, especially within the cement industry.

The combination of targeting the fastest growing segments and having a highly competitive offering has enabled Capsol to continue outpacing the sector. Our mature project pipeline has increased by 45% year-on-year and our revenues nearly tripled from 2023. Over the past year, our technology has been validated through Stockholm Exergi’s large-scale bio-CCS project, backed by nearly EUR 2 billion in government funding and due diligence from global offtakers and regulators.

Beyond strong pipeline and top-line growth based on our current business model, we are on track for significantly enhanced long-term value creation. With the launch of our HPC R&D Center, industry R&D projects and the development of new performance optimization services, we aim to increase value generation per ton of CO<sub>2</sub> captured – transforming Capsol from a pure technology provider into a long-term value partner for industrial emitters.

With a strong commercial trajectory and a fully funded business plan, we are well positioned to accelerate CCS deployment and drive profitable growth in the years ahead."

A handwritten signature in black ink, appearing to read 'W. Lam', positioned above the printed name.

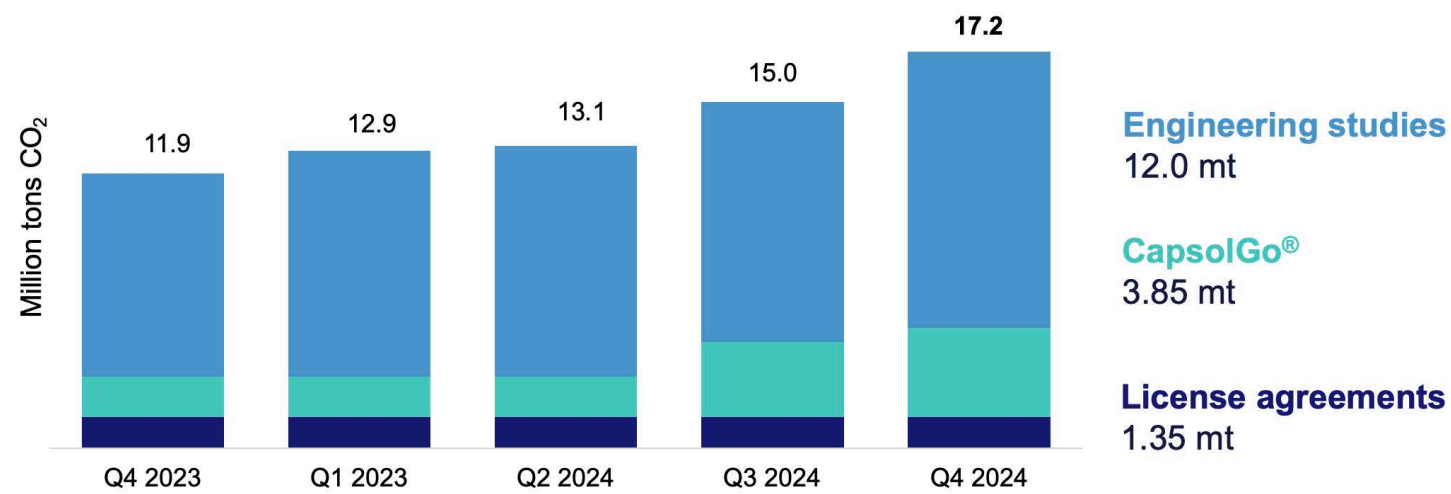
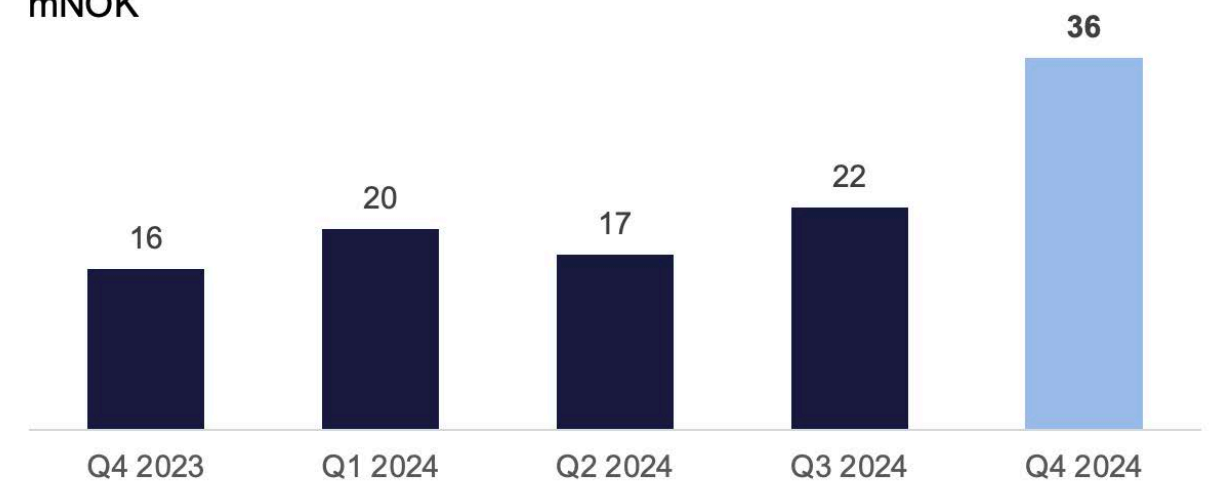
Wendy Lam, CEO of Capsol Technologies ASA



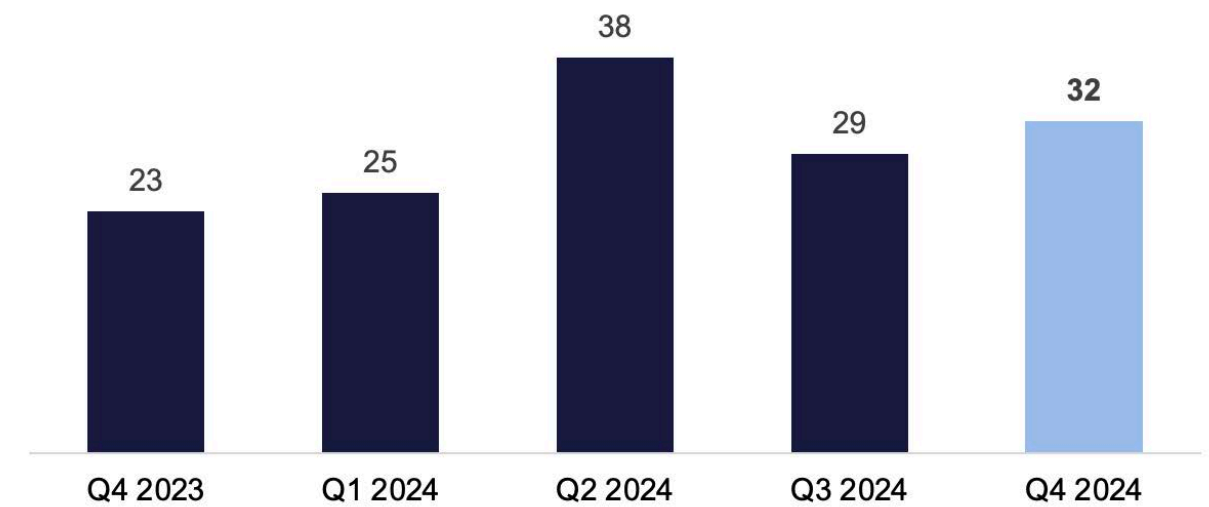
## Key figures

Amounts in NOK million	Q4 2024	Q4 2023	2024	2023
Total operating revenue	36.1	15.6	94.2	34.2
Income/-loss before income tax	3.2	-8.0	-32.8	-43.4
Net cash flow from operating activities	7.9	14.6	-30.6	-4.9
Net cash flow from investing activities	-3.1	-26.3	-31.4	-51.3
Net cash flow from financing activities	-6.3	33.1	84.0	39.2
Cash and cash equivalents (end of period)	64.4	41.6	64.4	41.6
Basic and diluted earnings per share	0.05	-0.15	-0.57	-0.81

### Revenues mNOK



### Operating expenses mNOK





# Operational review

## Projects

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

In November 2024, a CapsolGo® unit was deployed at Mälarenergi's energy-from-waste (EfW) plant in Västerås, Sweden, which has a full-scale potential of about 200,000 tons of CO<sub>2</sub> per year. 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.

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

A 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 campaigns were completed with positive results in Q2 2024. Upon request from the client, further commercial testing was performed in Q3 2024. The unit stayed on site until November 2024 for internal Capsol R&D testing.

### License agreement for BECCS at Stockholm Exergi Värtaverket

The biomass-powered combined heat and power plant (CHP) Värtaverket in Stockholm, Sweden, was Capsol's first license agreement for CapsolEoP®. With a full-scale deployment of 800,000 tons of CO<sub>2</sub> per year, Värtaverket will likely be Europe's first large-scale negative emissions plant. The project, with Capsol's technology, has been validated through several significant milestones, including:

- An EU Innovation Fund grant of EUR 180 million in April 2022.
- Environmental permit approval by Sweden's Land and Environmental Court in April 2024.
- An offtake agreement where Microsoft committed to acquire 3.33 million tons of permanent carbon removals in May 2024.
- An offtake agreement where Frontier committed to acquire carbon removals worth USD 49 million in June 2024.
- In January 2025, the Swedish Energy Agency committed SEK 20 billion (EUR 1.7 billion) in funding over a 15-year maximum period.

With the recent award made by the Swedish government, the final investment decision (FID) for the BECCS project is expected to happen as soon as possible in 2025 according to Stockholm Exergi's latest communications.

### 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 several 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 target price range of EUR 10-15 per ton installed capacity. FID, which triggers a license fee payment to Capsol, is expected in 2026. 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 in Switzerland with 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 delivered a feasibility study for the plant and FID is expected in 2026/2027.

### **New contracts**

During Q4 2024, Capsol Technologies was awarded four contracts, adding a potential of more than 2 million tons of annual CO<sub>2</sub> capture to the mature project pipeline.

### **Feasibility study for oil refinery in Northern Europe**

A global energy company awarded Capsol a feasibility study for one of its oil refineries in Northern Europe. Full-scale potential of 800,000 tons of CO<sub>2</sub> per year. This is the company's first study with a refinery for an international energy company, potentially opening a large new market segment.

### **Feasibility study for EfW plant in France**

SUEZ awarded Capsol a feasibility study for an energy-from-waste plant in France. Full-scale potential of >150,000 tons of CO<sub>2</sub> per year.

### **CapsolGo® demonstration campaign for Holcim in Germany**

Agreement with Holcim Group to test Capsol's technology in Q2 2025 at Dotternhausen cement plant in Germany as the first step in a broader collaboration aimed at decarbonizing Holcim's global portfolio of industrial plants.

### **Feasibility study for EfW plant in Europe**

A large European utility awarded Capsol a feasibility study for an energy-from-waste (EfW) plant. The study focuses on a solution for large-scale operations for one of the pioneers in applying carbon capture to EfW.

### **Pre-FEED for cement plant in Europe**

A European cement plant awarded Capsol a pre-FEED study for a plant with full-scale potential of 600,000 tons of CO<sub>2</sub> per year. The project is already counted for in the mature pipeline as Capsol has previously delivered a feasibility study, announced in January 2025.

## **Sales pipeline**

Capsol has a considerable sales pipeline consisting of more than 100 projects and continued to see strong incoming demand. The company has an increasing number of project leads in North America and the Middle East, with particularly high interest for the CapsolGT® solution in these regions.

Of the total pipeline, projects that have matured into later phases (engineering studies, CapsolGo® campaigns and licensing) amount to 17.2 million tons of annual CO<sub>2</sub> capture capacity if developed into full-scale capture plants.

The above projects are moving towards FID and payment of license fees to Capsol. In the mature pipeline, Capsol estimates potential FID's of over 10 million tons of annual capture capacity for the next three years, with the majority of these currently scheduled for 2026. The pre-tax value of these FID's is between EUR 100 and 200 million. This estimate is not risk adjusted and while some of these projects are expected to be delayed or awarded to other technology providers, new projects are expected to continuously expand the pipeline in the coming years.



### Technology development

Capsol is working on a number of initiatives to leverage our technology platform and create more client value. Building on our access to project data and our extensive client network, Capsol aims to become a trusted partner for the full project cycle. This is expected to ultimately generate recurring revenue on a per-ton-captured basis, on top of the current up-front license fee payments.

Additional high value services that are being explored or developed include digital monitoring and performance tracking, solvent supply, and additive development, as well as expert services across projects, commissioning, and operations. Furthermore, Capsol is advancing existing collaborations, including the joint R&D program with Munters AB to explore optimization and supply of key equipment together with the technology license.

In Q4 2024, Capsol Technologies opened a R&D center in Stavanger, Norway. Building on Capsol's deep experience within Hot Potassium Carbonate (HPC) in post-combustion processes, the center will expand testing of properties of the chemical platform and process technology, generate proprietary know-how and drive improved capture performance.

In December 2024, Capsol entered an R&D project with Stockholm Exergi, KTH Royal Institute of Technology and AirZyme to develop a bio-based promoter for accelerated CO<sub>2</sub> capture and release. The project has been awarded a grant from the Swedish Energy Agency totaling SEK 7 million over two years.

### Organization

Endre O. Sund (b. 1950), Chair of the Board of Capsol Technologies, has notified the Nomination Committee that he will not seek re-election when his term concludes in 2025. Sund has been an integral part of Capsol's growth journey since joining the Board of Directors in 2018 and serving as Chair since 2020. The Nomination Committee, with support from Capsol's international Advisory Board, has initiated the process of identifying Sund's successor.





# 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 36.1 million in Q4 2024, compared to NOK 15.6 million in Q4 2023. For the full year, Capsol recorded revenues of NOK 94.2 million, up 2.75x from NOK 34.2 million in 2023.

The development was driven by increased revenues from CapsolGo®, from engineering deliveries to projects, and licensing revenues from Stockholm Exergi.

The majority of annual revenue still stems from the CapsolGo® demonstration campaigns, but with increasing contributions from engineering deliveries to develop projects towards FID. 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 further strengthening IP protection.

## Summary of profit and loss

Amounts in NOK million	Q4 2024	Q4 2023	2024	2023
Revenue	36.1	15.6	94.2	34.2
Total operating revenue	36.1	15.6	94.2	34.2
Operating income/-loss	4.6	-7.9	-30.1	-41.5
Net financial income/-loss	-1.4	-0.2	-2.7	-1.9
Income/-loss before income tax	3.2	-8.0	-32.8	-43.4
Net income/-loss	3.2	-8.0	-32.8	-43.4
Basic and diluted earnings per share	0.05	-0.15	-0.54	-0.81

Total operating expenses were NOK 31.5 million in Q4 2024, contributing to an operating profit of NOK 4.6 million vs. a loss of NOK 7.9 million in the corresponding period in 2023. For 2024, operating expenses was NOK 124.2 million (NOK 75.6 million).

Net financial items were NOK -1.4 million in Q4 2024 compared to NOK -0.2 million in the corresponding quarter in 2023.

Pre-tax profit amounted to NOK 3.2 million for Q4 2024, relative to a loss of NOK -8.0 million in Q4 2023, with the improved result primarily driven by increased revenues, especially the company's first licensing revenue. The full-year pre-tax loss amounted to NOK 32.8 million compared to a loss of NOK 43.4 million the year before.



## Cash flow summary

Amounts in NOK million	Q4 2024	Q4 2023	2024	2023
Net cash flow from operating activities	7.9	14.6	-30.6	-4.9
Net cash flow from investing activities	-3.1	-26.3	-31.4	-51.3
Net cash flow from financing activities	-6.3	33.1	84.0	39.2
Net increase/(decrease) in cash and cash equivalents	-1.6	21.4	22.0	-17.0
Cash and cash equivalents as at beginning of period	66.0	23.5	41.6	61.6
Effect of change in exchange rate	-0.1	-3.2	0.9	-2.9
Cash and cash equivalents as at end of period	64.4	41.6	64.4	41.6

## Cash flow

Net cash flow from operating activities was NOK 7.9 million in Q4 2024, while the comparable figure for Q4 2023 was NOK 14.6 million. Note that revenue from the Stockholm license payment was not included in the Q4 2024 cash flow as the payment is due in Q1 2025.

Net cash flow from investment activities was NOK -3.1 million in the quarter, compared to NOK -26.3 million in Q4 2023. Investments related mainly to upgrades of the CapsolGo® units as the investment program is nearing completion.

Net cash flow from financing activities in Q4 2024 was NOK -6.3 million and net change in cash and cash equivalents from Q3 was NOK -1.6 million. The company held NOK 64.4 million in cash and cash equivalents by the end of 2024, compared to NOK 41.6 million at the end of 2023, after raising net proceeds of NOK 109 million during H1 2024.





## Financial position

Total assets by the end of Q4 2024 were NOK 205.7 million, up from NOK 145.7 million by the end of Q4 2023. NOK 103.2 million was non-current assets, including NOK 83.6 million in plant and equipment. Current assets were NOK 102.6 million with NOK 64.4 million in cash and bank deposits.

Total equity was NOK 116.0 million, corresponding to an equity ratio of 56.4%.

Total liabilities amounted to NOK 89.8 million, of which short-term liabilities was NOK 57.4 million.

Total debt to financial institutions was NOK 46.8 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 through green loans.



## Share information

Per December 31, 2024, the company had 62,898,669 issued shares, divided between 1089 shareholders.

The closing price for the company's shares was NOK 11.00 per share as of December 31, 2024, which corresponds to a market capitalization of NOK 692 million.

### 20 largest shareholders December 31, 2024

Rederiaktieselskapet Skrim	9 546 474
SEOTO AS	5 172 677
Aquila Holdings Investment AS	4 033 188
DNB Bank ASA	3 483 737
MP Pensjon PK	2 886 800
T.D. Veen AS	2 093 202
Danske Bank A/S	1 804 799
F2 Funds AS	1 604 629
Alphecca AS	1 600 000
Redback AS	1 549 769
Tigerstaden AS	1 500 000
Mathisen	1 410 578
F1 Funds AS	1 257 538
GM Capital AS	1 200 000
Danske Invest Norge Vekst	1 179 850
Engelsviken Fryseri AS	1 143 891
The Northern Trust Company, London Branch	1 130 000
Daimyo Invest AS	1 030 000
Q Capital AS	998 490
Tone Bekkestad AS	772 673
<b>Total</b>	<b>45 398 295</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 for 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 CO<sub>2</sub> 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 and meet market demands.

The International Energy Agency (IEA) stresses that to meet net-zero targets by 2050, carbon capture capacity must grow by 50% annually, reaching 1.2 billion tons by 2030. While the current pipeline of 423 million tons of annual carbon capture capacity under development (according to the latest data from Global CCS Institute) is insufficient to deliver on that target, new projects are continuously being announced – gradually reducing the gap.

Key drivers of demand include declining CCS costs, customer acceptance for green price premiums and government policies, including EU's Emissions Trading System (ETS). During 2024, the ETS price has traded between EUR 50 and 80 per ton CO<sub>2</sub> and is expected to increase over time according to BNEF (Bloomberg New Energy Finance), which forecasts the price to surpass EUR 140 per ton by 2030. In the coming years, the ETS will be gradually expanded.

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.

Recent government commitments are set to further fuel market expansion:

- On December 3, 2024, the European Commission launched two calls for proposals and an auction under the Innovation Fund, including a call with EUR 2.4 billion available for net-zero technologies.
- On December 17, 2024, The U.S. Department of Energy (DOE) Office of Clean Energy Demonstrations (OCED) opened applications for up to USD 1.3 billion in funding to catalyze investments in transformative carbon capture, utilization, and storage (CCUS) technologies.
- On December 18, 2024, the European Commission approved a French scheme of a maximum amount of EUR 3 billion to support for a period of 15 years companies subject to the EU Emission Trading Scheme in decarbonizing their production processes thanks to technologies such as electrification, carbon capture and storage (CCS), carbon capture and use (CCU), and energy efficiency measures.
- On January 27, 2024, Stockholm Exergi was awarded support for bio-CCS through a reverse auction by the Swedish Energy Agency, with granted support of SEK 20 billion (EUR 1.7 billion) to be paid out over up to 15 years.
- On January 27, 2024, Hafslund Celsio decided to resume the carbon capture project at Klemetsrud in Oslo. Through the support agreement, the Norwegian government will provide NOK 2.5 billion in investment support (capex).

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

## Outlook

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

Key de-risking milestones include implementation of further government backed incentives and direct CCS project investments as observed in Sweden and Norway during Q1 2025, 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 and service to increase relevance and value capture 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.

The combination of a strong customer value proposition for high-growth segments and presence in the largest and fastest growing geographical markets Europe and North America positions 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 January 15, 2025, Capsol Technologies was awarded an Engineering Services Agreement for a pre-FEED (Front-End Engineering Design) study for the CapsolEoP® (end-of-pipe) carbon capture technology at a cement plant in Europe. The study is for a plant aiming to capture 600,000 tons of CO<sub>2</sub> per year.

### Risks management

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. Key risks include:

- The introduction and commercialization, and timing, of new technologies, products, and services by others.
- Changes in regulation and other market conditions.
- 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 first half of 2025, and mitigating actions related to these risks.

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.



Demonstrating **CapsolEoP**<sup>®</sup> full-scale carbon capture technology using the safe Hot Potassium Carbonate solvent.

- Up to 50% lower energy use.
- No need for external steam supply.
- Electricity powered.

**We care  
We can  
We capture**

Applicable to all CO<sub>2</sub>-emitting industries.  
[www.capsoltechnologies.com](http://www.capsoltechnologies.com)

**capsol technologies** | SCHWENK | **ALUMINA CEMENTAS**

# Capsol interim financial statements Q4 2024





# Consolidated financial statements

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## Consolidated statement of profit and loss

Notes	Q4 2024	Q4 2023	2024	2023
Amounts in NOK				
Operating income and expenses				
Revenue	36 090 414	15 556 307	94 160 578	34 160 224
Other operating income				
<b>Total operating revenue</b>	<b>36 090 414</b>	<b>15 556 307</b>	<b>94 160 578</b>	<b>34 160 224</b>
Cost of contract fulfillment	5 138 248	4 413 058	21 345 011	7 776 112
Personnel expenses	11 301 191	11 328 747	50 306 197	37 426 643
Depreciation expenses	4 706 900	2 381 322	14 165 644	8 169 069
Other operating expenses	10 393 622	5 293 428	38 393 919	22 269 643
<b>Total operating expenses</b>	<b>31 539 960</b>	<b>23 416 554</b>	<b>124 210 770</b>	<b>75 641 466</b>
Operating income/-loss	4 550 455	-7 860 247	-30 050 192	-41 481 242
Financial income and expenses				
Other interest income	1 988 565	888 820	2 646 697	1 010 363
Other financial income	312 545	2 424 545	6 124 273	3 990 313
Other interest expenses	-1 014 904	-1 014 619	-4 748 455	-2 479 973
Other financial expenses	-2 685 468	-2 488 146	-6 754 646	-4 447 959
<b>Net financial income/-loss</b>	<b>-1 399 261</b>	<b>- 189 399</b>	<b>-2 732 130</b>	<b>-1 927 256</b>
Income/-loss before income tax	3 151 194	-8 049 647	-32 782 322	-43 408 498
Income tax expense				
<b>Net income/-loss</b>	<b>3 151 194</b>	<b>-8 049 647</b>	<b>-32 782 322</b>	<b>-43 408 498</b>
Basic and diluted earnings per share	0.05	-0.15	-0.54	-0.81

## Consolidated statement of comprehensive income

	Notes	Q4 2024	Q4 2023	2024	2023
Amounts in NOK					
Net income/-loss		3 151 194	-8 049 647	-32 782 322	-43 408 498
Other comprehensive income		-	-	-	-
Items that may be reclassified to profit and loss in subsequent periods:		-	-	-	-
Currency translation difference, net of tax		2 080	-767	2 080	-767
Other comprehensive income for the period , net of tax		2 080	-767	2 080	-767
<b>Total comprehensive income/-loss for the period</b>		<b>3 153 274</b>	<b>-8 050 414</b>	<b>-32 780 242</b>	<b>-43 409 265</b>




## Consolidated statement of financial position

	Notes	31 Dec 2024	31 Dec 2023
Amount in NOK			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		12 773 970	7 337 512
Plant, property and equipment	<a href="#">6</a>	83 639 419	67 267 596
Right of use assets	<a href="#">6</a>	6 755 051	8 522 788
<b>Total non-current assets</b>		<b>103 168 439</b>	<b>83 127 897</b>
<b>Current assets</b>			
Accounts receivables		30 676 954	9 821 949
Contract assets		167 517	1 735 104
Other short-term receivables		7 285 720	9 126 653
Cash and cash equivalents		64 443 690	41 615 681
<b>Total current assets</b>		<b>102 573 881</b>	<b>62 599 387</b>
<b>Total assets</b>		<b>205 742 320</b>	<b>145 727 285</b>

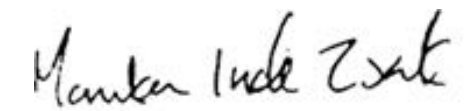
## Consolidated statement of financial position

Notes	31 Dec 2024	31 Dec 2023
Amount in NOK		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	31 449 334	26 766 698
Share premium	186 058 374	81 072 850
Other paid in capital	25 271 799	20 107 188
Other equity	-126 804 086	-94 022 283
<b>Total equity</b>	<b>115 975 420</b>	<b>33 924 453</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Lease liability	4 787 621	6 621 710
Debt to financial institutions	27 613 473	45 212 693
<b>Total non-current liabilities</b>	<b>32 401 094</b>	<b>51 834 403</b>
<b>Current liabilities</b>		
Trade creditors	15 374 658	15 324 695
Lease liabilities	2 109 137	1 880 567
Contract liabilities	6 761 037	13 660 071
Current-portion of debt to financial institution	19 228 804	18 500 894
Public duties payable	3 764 604	3 070 631
Other current liabilities	10 127 564	7 531 571
<b>Total current liabilities</b>	<b>57 365 804</b>	<b>59 968 429</b>
<b>Total liabilities</b>	<b>89 766 898</b>	<b>111 802 832</b>
<b>Total equity and liabilities</b>	<b>205 742 320</b>	<b>145 727 285</b>

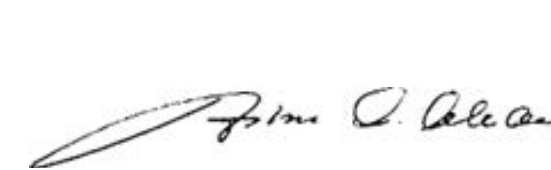
Oslo, February 23, 2025  
The board of Capsol Technologies ASA



Endre Ording 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	Q4 2024	Q4 2023	2024	2023
Amounts in NOK					
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(loss) before income tax		3 151 194	-8 049 647	-32 782 322	-43 408 498
<i>Adjustments to reconcile profit/loss before tax to net cash flow:</i>					
Depreciation and amortization expenses	<a href="#">6</a>	4 706 900	2 381 322	14 165 644	8 169 069
Finance (income)/expense net	<a href="#">5</a>	1 399 261	189 399	2 732 130	1 927 256
<i>Working capital changes:</i>					
Change in trade and other receivables		-11 213 043	-3 093 994	-20 855 005	-7 826 474
Change in trade and other payables		150 455	10 063 158	16 309	13 945 616
Change in other current assets and liabilities		9 796 305	351 717	4 287 361	2 416 217
Change in contract balances		-1 425 372	7 730 962	-5 331 446	11 924 967
Share based compensation scheme without cash impact	<a href="#">7</a>	- 52 618	2 777 241	5 164 610	5 639 676
Share based compensation employment tax	<a href="#">7</a>	- 849 248	73 307	-1 335 753	1 302 266
Interests received		1 988 565	887 063	2 646 697	1 008 606
Currency translation effects		229 781	1 307 824	645 335	
<b>Net cash flow from operating activities</b>		<b>7 882 178</b>	<b>14 618 351</b>	<b>-30 646 440</b>	<b>-4 901 300</b>
CASH FLOW FROM INVESTMENT ACTIVITIES					
Payment for property plant and equipment	<a href="#">6</a>	-2 987 075	-25 032 166	-25 527 979	-51 218 785
Payment for intangible assets		- 126 745	-1 292 394	-5 868 251	-1 292 394
Government grants received on investment activities		-	-	-	1 211 545
<b>Net cash flow from investing activities</b>		<b>-3 113 820</b>	<b>-26 324 560</b>	<b>-31 396 230</b>	<b>-51 299 634</b>

## Consolidated statement of cash flow

	Notes	Q4 2024	Q4 2023	2024	2023
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>					
Net equity received		-	-	109 668 161	-
Proceeds from borrowings		-	36 362 614	-	48 996 532
Repayment of borrowings		-4 807 201	-1 755 907	-19 023 321	-5 822 146
Repayment of lease liability		- 504 296	- 447 959	-1 901 067	-1 526 346
Interests paid on borrowings		- 881 026	- 844 905	-4 158 329	-2 008 285
Interests paid on lease liability		- 133 877	- 169 714	- 590 126	- 471 688
<b>Net cash flow from financing activities</b>		<b>-6 326 400</b>	<b>33 144 159</b>	<b>83 995 318</b>	<b>39 168 097</b>
Net increase/(decrease) in cash and cash equivalents		-1 558 048	21 437 949	21 952 648	-17 032 838
Cash and cash equivalents as at beginning of period		65 989 029	23 466 686	41 615 681	61 565 235
Effect of change in exchange rate		12 705	-3 288 953	875 363	-2 916 715
<b>Cash and cash equivalents as at end of period</b>		<b>64 443 690</b>	<b>41 615 681</b>	<b>64 443 690</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
Balance at 1 Jan 2024		26 766 697	81 072 850	20 107 188	- 451	-94 021 832	33 924 453
Profit for the year						-32 782 321	-32 782 321
Other comprehensive income IFRS					2 080		2 080
Share capital issue 16 Feb 2024		3 502 637	78 635 895				82 138 532
Share capital issue 15 Jun 2024		1 125 000	25 304 628				26 429 628
Execution of employee share options		55 000	1 045 000				1 100 000
Share based compensation				5 164 610			5 164 610
Other changes in equity						-1 561	-1 561
<b>Balance at 31 Dec 2024</b>		<b>31 449 334</b>	<b>186 058 373</b>	<b>25 271 798</b>	<b>1629</b>	<b>-126 805 714</b>	<b>115 975 920</b>
Balance at 1st Jan 2023		53 533 395	81 072 850	14 467 512	317	-77 380 031	71 694 043
Profit for the year						-43 408 498	-43 408 499
Other comprehensive income IFRS					-767		- 767
Share based compensation				5 639 676			5 639 676
Other changes to equity							
<b>Balance at 31 Dec 2023</b>		<b>53 533 395</b>	<b>81 072 850</b>	<b>20 107 189</b>	<b>- 451</b>	<b>-120 788 528</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 December 31, 2024, and the comparable interim financial statements for the period ending December 31, 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](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 fourth quarter is defined as the reporting period from October 1 to December 31.

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	Q4 2024	Q4 2023	2024	2023
Amounts in NOK				
Europe	36 090 414	15 556 307	94 160 578	34 160 224
US	-	-	-	-
<b>Total operating revenue</b>	<b>36 090 414</b>	<b>15 556 307</b>	<b>94 160 578</b>	<b>34 160 224</b>
Timing of recognition				
At point time	2 543 937	1 805 811	14 088 127	3 247 363
Overtime	33 546 477	13 750 495	80 072 451	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

	Q4 2024	Q4 2023	2024	2023
Amounts in NOK				
Other interest income	1 988 565	888 821	2 646 697	1 010 364
Currency gain	312 546	2 424 545	6 124 274	3 990 313
Other interest expense	-881 027	-1 041 565	-4 158 329	-2 204 945
Interest expense lease	-133 877	-169 714	-590 126	-471 688
Currency loss	-2 685 468	-2 297 068	-6 754 646	-4 256 881
<b>Total net financial items</b>	<b>-1 399 261</b>	<b>-194 980</b>	<b>-2 732 130</b>	<b>-1 932 837</b>

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

Intangible assets	31 Dec 2024	31 Dec 2023
Amounts in NOK		
Accumulated cost at Jan 1	8 632 894	7 340 500
Additions	5 868 251	1 292 394
<b>Accumulated cost at Dec 31</b>	<b>14 501 145</b>	<b>8 632 894</b>
Accumulated depreciation and impairment Jan 1	-1 295 382	- 863 588
Amortization for the period	- 431 794	- 431 794
Accumulated depreciation and impairment Dec 31	-1 727 174	-1 295 382
<b>Net carrying amount at Dec 31</b>	<b>12 773 970</b>	<b>7 337 512</b>
Depreciation method	Straight line	Straight line
Useful life patents	17	17
Property, plant and equipment	31 Dec 2024	31 Dec 2023
Amounts in NOK		
Accumulated cost at Jan 1	73 797 527	25 090 070
Additions	25 531 314	51 218 785
Government grants	2 511 228	-2 511 228
<b>Accumulated cost at Dec 31</b>	<b>101 840 169</b>	<b>73 797 627</b>
Accumulated depreciation and impairment at Jan 1	-6 530 031	-286 244
Depreciation for the period	-11 670 719	-6 243 787
Accumulated depreciation and impairment Dec 31	-18 200 750	-6 530 031
<b>Net carrying amount at Dec 31</b>	<b>83 639 419</b>	<b>67 267 596</b>
Depreciation method	Straight line	Straight line
Useful life	5	5

### Intangible asset additions

The additions of the intangible assets per December 31, 2024, were from NOK 672,617 (in Q4 2024 NOK 126,745) related to the Digital Platform and NOK 5,195,634 (in Q4 2024 NOK 0) from capitalization of R&D, a total of NOK 5,868,251.

### Intangible asset depreciation

The digital platform and R&D is still under development and is not depreciated as of period end December 31, 2024.

### Depreciation of Right of used assets

The profit and loss depreciation cost of NOK 14,165,644 in 2024, also includes depreciation cost from the use of right assets, which amounts to a total of NOK 2,063,131 in 2024.

In Q4 2024 the depreciation cost of the use of right assets were NOK 236,493.

### 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 31 Dec 2024	62 898 669	62 898 669		
Share-based compensation	5 740 000	5 735 500	11,47	65 786 185
<b>Total as of 31 Dec 2024</b>	<b>68 638 669</b>	<b>68 634 169</b>		<b>65 786 185</b>

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 a volume of 5,850,000 shares. Of these 110,000 options has been exercised and issued as new shares.

As of December 31, 2024, a total of 5,735,500 of the options were issued and outstanding with an average strike price of NOK 11,47. Assuming all options are issued and exercised the total number of shares outstanding will be 68,638,669.

Amounts in NOK	Q4 2024	Q4 2023	YTD 24	2023
Cost recognized related to share based compensation	-52 718	2 777 241	5 164 510	5 639 676
Share based compensation employment tax	-849 248	73 307	-1 335 753	1 302 266
<b>Total cost of the share based program</b>	<b>-901 966</b>	<b>2 850 548</b>	<b>3 828 757</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 fourth quarter 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 three months ended 31 December 2024, for Capsol Technologies ASA. The financial statement is not audited.

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.

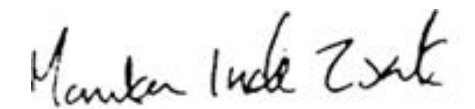
### To the best of our knowledge:

- The consolidated condensed financial statements for the three months ended December 31, 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 December 31, 2024.
- The information provided in the report for the last quarter 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.

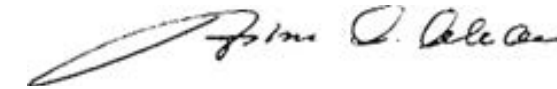
Oslo, February 24, 2025  
The Board of Capsol Technologies ASA



Endre Ording 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





capsol  
technologies



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

Drammensveien 126  
0277 Oslo  
Norway

[capsoltechnologies.com](https://capsoltechnologies.com)