capsol technologies

Interim report Q1 2025

May 13, 2025

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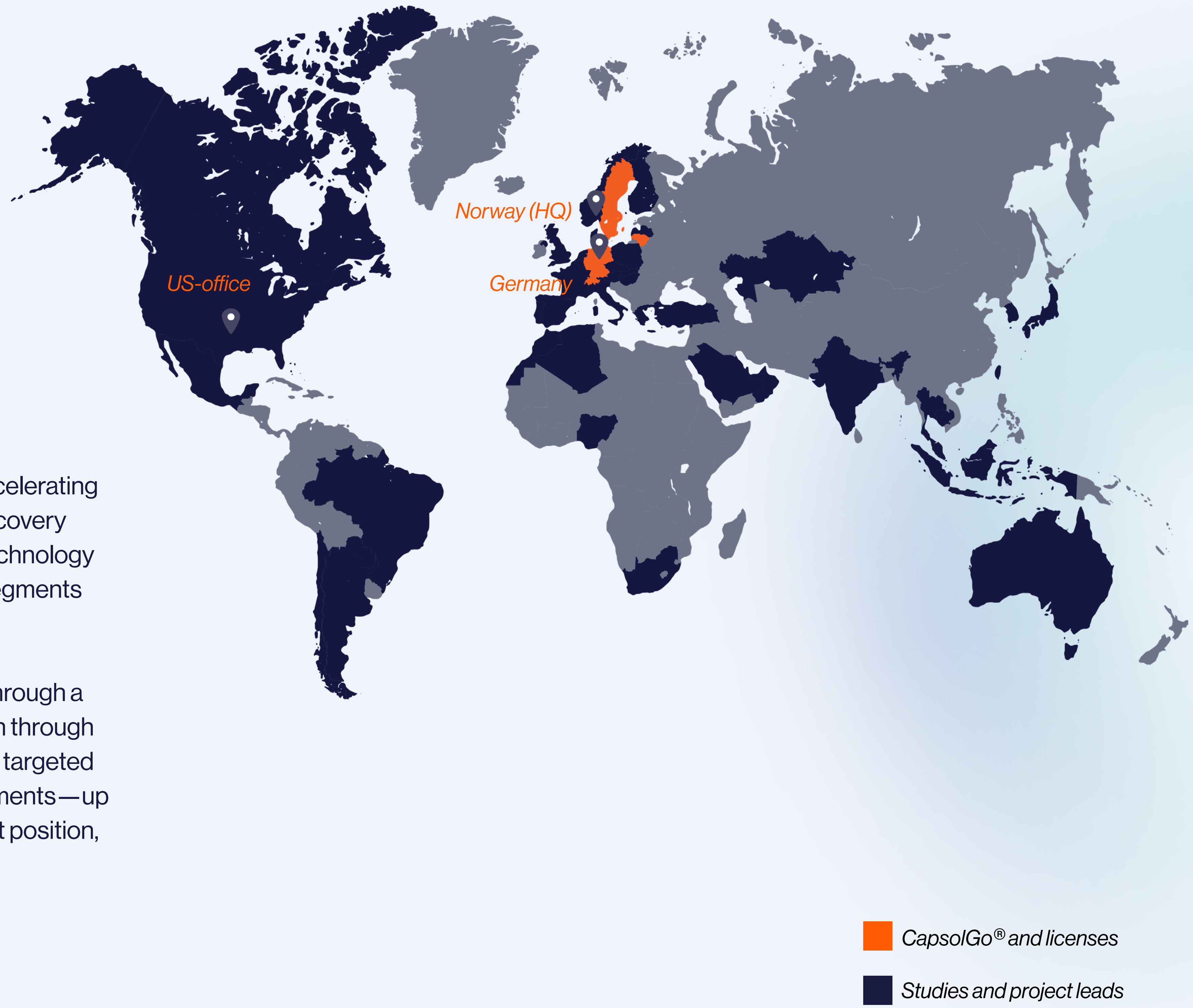
About Capsol Technologies



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's strategy is built on delivering its cost-efficient carbon capture technology through a scalable, high-margin licensing model, targeting long-term growth and value creation through expansion across products, industries, and markets. In 2024, the company raised its targeted licensing revenue to EUR 10–15 per tonne installed capacity, reflecting recent agreements—up from EUR 7–12 previously. Capsol reinvests its revenues to establish a leading market position, with a long-term pre-tax margin ambition of 40–60%.

Capsol Technologies is listed on Euronext Oslo Børs (ticker: CAPSL).

A portfolio of technologies to meet large emitters' needs

	CapsolGo®	CapsolEoP®	CapsolGT®
Description	Mobile demonstration unit with all-inclusive service package.	A complete carbon capture solution for large-scale CO_2 emitters.	A complete carbon capture solution for large-scale gas power and industrial gas turbine applications.
Rationale	Accelerate investment decision for full-scale carbon capture plant.	Provide a safe and cost-efficient solution to decarbonize a wide range of hard-to-abate industries. Offer an attractive solution for large-scale industrial CO_2-emitters.	Decarbonize hard-to-abate emissions from gas turbines while generating extra electricity.
Capacity	Up to 700 tonnes CO_2/year.	100,000 to 1 million tonnes CO_2/year.	12,000 - 400,000+ tonnes CO_2/year.
Electricity consumption	N/A	0.5-1.5 (GJ per tonne of CO_2 captured).	5-10 percentage points energy efficiency gain for open cycle turbines.
Target segments	Demonstration projects for cement, biomass, energy-from-waste (EfW), power generation and large industrial facilities.	Cement, biomass, energy-from-waste (EfW), power generation and large industry facilities.	Aeroderivative and industrial 2-120+ MW gas turbines.
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.	Technology license agreement with Stockholm Exergi for a bioenergy carbon capture and storage (BECCS) project. Final investment decision (FID) made in March 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.	Brought to market together with leading gas turbine suppliers.

Highlights in period

Strong revenue and sales pipeline growth

- Revenues of NOK 25 million, up from NOK 19.5 million in Q1, 2024.
- ~ 70% year-on-year mature pipeline growth to 22 million tonnes of annual CO_2 capture capacity.
- Traction in Europe and US across cement, biomass, gas turbines, and other industries.

Momentum across industries

- Construction started for one of the world's largest bioenergy with carbon capture (BECCS) and storage plants, using Capsol's technology.
- De-risking industry technology and FID decisions; HPC only mature competitor to amines.
- First demonstration campaign at a cement plant successfully completed, with two more starting in Q2.

Positioned for EBITDA growth from 2026 and beyond

- 13 projects in Capsol's current mature pipeline totaling 6.5 million tonnes on track for FID in 2026.
- NOK 300 million in 2026 unrisked revenue potential.
- Risked forecast 2026 EBITDA at NOK ~60 million.

New services offering driving future value

- Strengthened position as carbon capture technology leader with new lab.
- Developing services offering to continue to optimize performance in operational phase.
- Potential of EUR 2+ recurring revenue per tonne CO_2 captured.

Comment from CEO, Wendy Lam

In Q1, we reached a defining moment – not just for Capsol, but for the carbon capture industry – as Stockholm Exergi made the final call to move forward with the world's first technology large-scale post combustion BECCS project, using our technology.

This breakthrough validates our cost- and energy-efficient solution, while also showing that carbon capture projects with Capsol's technology can be bankable. As a result, we are seeing accelerated commercial traction.

Our mature pipeline has expanded to more than 22 million tonnes – up around 70% from a year ago – as new and existing clients commit to maturing more projects with us. We also delivered our first CapsolGo® demonstration campaign at a cement plant. Such campaigns are key to de-risking customer technology decisions and advancing projects toward FID.

Market landscape

With more conservative forecasts for project FIDs due to market and political uncertainties, we see that customers are increasingly scrutinizing incumbent carbon capture solutions and looking for better ways to make projects investable. This includes finding more innovative solutions that are lower cost, less energy-intensive, easier to implement and less harmful to the environment and health. This is where Capsol is gaining advantage.

The policy landscape is also catching up to where the industry needs to go. Europe's Clean Industrial Act is a sign that climate, competitiveness, and innovation can move forward together. At the same time, the voluntary carbon market continues to mature, with more than 24 million tonnes of permanent carbon removals contracted to date – 75% from BECCS – including the first energy-from-waste deal in Q1.

Q1 demonstrated growing demand for Capsol's carbon capture solutions, with operational services set to create more value for clients and support long-term profitable growth.

Outlook

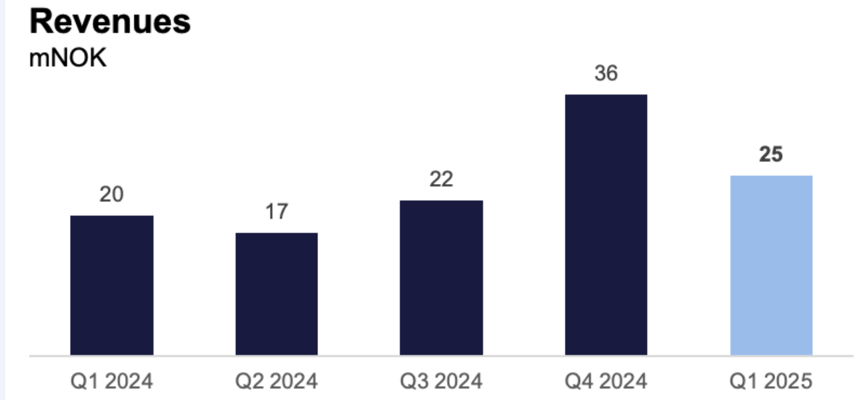
Looking ahead, 13 projects totaling 6.5 million tonnes in our pipeline could potentially make their FIDs in 2026, with several licensing agreements targeted in second half of 2025 and 2026. This gives us line of sight to meaningful EBITDA generation next year. Looking beyond near-term licensing, we are laying the groundwork for scalable, high-margin services to meet client demand and extend value creation. These include solvent services, performance monitoring and optimization, and remote support programs. Together, they help clients improve performance and cut opex.

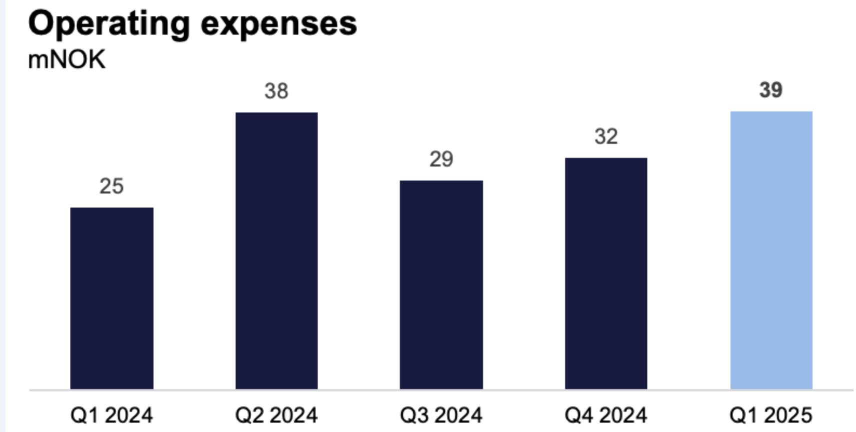
As more projects reach operations, these services will become a natural extension of our technology platform, enabling recurring revenues of EUR 2 or more per tonne captured. This will position us not just as a technology supplier, but as a long-term partner in the net zero transition. With a clear path to growth and profitability, we remain well positioned to scale carbon capture and deliver long-term returns".

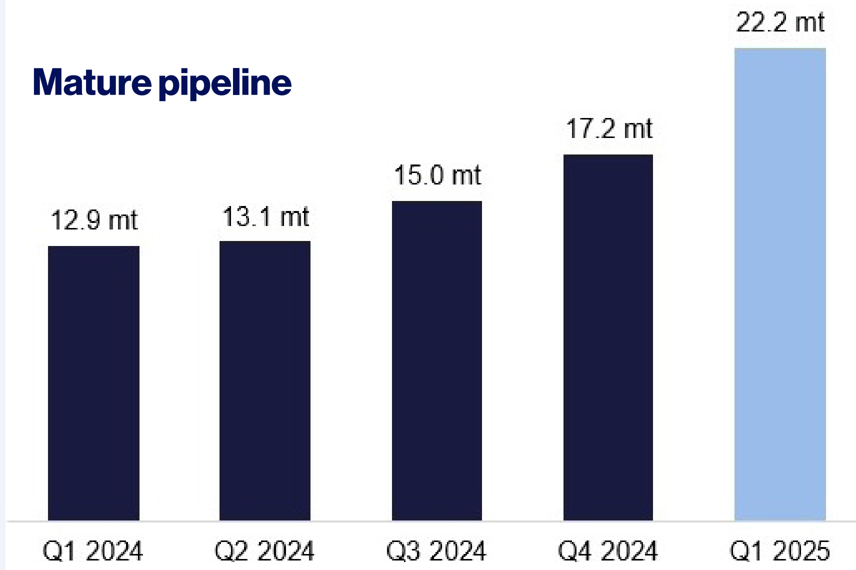
Wendy Lam, CEO of Capsol Technologies ASA

Key figures

	Q1 2025	Q1 2024	YTD 2025	2024
Amounts in NOK million				
Total operating income	24.9	19.5	24.9	94.2
Pre-tax profit	-16.1	-7.9	-16.1	-32.8
Net cash flow from operating activities	0.6	-18.1	0.6	-30.6
Net cash flow from investing activities	-0.1	-2.6	-0.1	-31.4
Net cash flow from financing activities	-6.1	75.5	-6.1	84.0
Cash and cash equivalents at the end of the period	58.5	97.3	58.5	64.4
Basic and diluted earnings per share	-0.23	-0.14	-0.23	-0.54







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 tonnes of CO_2 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. The demonstration is ending in Q2, 2025.

CapsolGo® demonstration campaign for SCHWENK at cement plants in Europe
Capsol Technologies is delivering two CapsolGo® carbon capture demonstration campaigns at SCHWENK's Brocēni cement plant in Latvia and the Akmenės Cementas cement plant in Lithuania. The Lithuanian campaign was performed in Q4, 2024, and Q1, 2025, on time and budget, with no safety accidents, demonstrating good capture rate on cement flue gas. The CapsolGo® unit will start operations in Latvia in Q2 and the demonstration will end in Q4, 2025. The two plants have a full-scale potential of 1.5 million tonnes CO_2.

CapsolGo® demonstration campaign for Holcim at cement plant in Germany
In Q2, 2025, a CapsolGo® unit will be deployed at Holcim Group's Dotternhausen cement plant in Germany as the first step in a broader collaboration aimed at decarbonizing Holcim's global portfolio of industrial plants.

License agreement for BECCS at Stockholm Exergi Värtaverket
On March 27, 2025, Stockholm Exergi made a final investment decision for the bioenergy with carbon capture (BECCS) project at the biomass-powered combined heat and power plant (CHP) Värtaverket in Stockholm, Sweden, using CapsolEoP®.

With a full-scale deployment of 800,000 tonnes of CO_2 per yearfrom 2028, this will be Europe's first large-scale emissions plant. The project and Capsol's technology have 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 tonnes 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.

As of end Q1, construction has started which is seen as a major de-risking event by current and future clients. This milestone supports higher and faster conversion from project pipeline to FID and licensing revenue.

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 tonnes of CO_2 per year. The agreed license fee is within the updated target price range of EUR 10-15 per tonne 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. Furthermore, the client has prepared and submitted an application for European public funding, with Capsol providing support throughout the application process.

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 tonnes of CO_2 per year, of which half of the CO_2 is biogenic, enabling revenue from negative emissions credits. Capsol has delivered a feasibility study for the plant and FID is expected in 2026/2027.

New contracts

During Q1, 2025, Capsol Technologies was awarded one new contract and experienced expanded client activity.

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 tonnes of CO_2 per year. The project was already counted for in the mature pipeline as Capsol has previously delivered a feasibility study.

EU Innovation Fund projects

Capsol has delivered engineering work supporting applications to the EUR 2.4 billion EU Innovation Fund for net zero technologies for projects totaling approximately two million tonnes of potential CO_2 capture, with over 1 million tonnes contributed by new projects added to the mature pipeline in Q1, 2025. The projects are across BECCS, cement and synthetic renewable fuels. Projects will be assessed based on their potential to reduce greenhouse gas emissions, degree of innovation, project maturity, replicability and cost efficiency. For the first time under the Innovation Fund call for proposals, Member States will have the possibility to complement the Net-Zero IF 24 Call with national funding schemes. This new option, called 'Grants-as-a-Service', allows the Member States to leverage on the Innovation Fund's evaluation process and streamlined State aid approval process. Successful applicants are expected to sign grant agreements by first quarter of 2026.

US projects

Capsol has provided engineering input for two US projects in the BECCS and gas turbine segments, representing a combined potential of 500,000 tonnes. This work is part of ongoing project development activity.

New projects for existing clients

Expanded scope with an existing large client in cement, which added approximately four million tonnes as they mature additional projects for carbon capture deployment.

Sales pipeline and corporate development

The pipeline consists of 1.35 million tonnes per annum (mtpa) in license agreements (including Stockholm Exergi, where license fee is received), 3.65 mtpa in CapsolGo®, and 16.2 mtpa in engineering studies. Capsol has a considerable sales pipeline consisting of more than hundred projects and continued to see strong and stable 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 as well as CapsolEoP® for cement in these regions.

Of the total pipeline, projects that have matured into later phases (engineering studies, CapsolGo® campaigns and licensing) amount to 22 million tonnes of annual CO_2 capture capacity if developed into full-scale capture plants.

The above projects are moving towards FID and payment of license fees to Capsol. Capsol's mature pipeline totals 22 million tonnes of annual carbon capture capacity. ~12 million tonnes could reach FID by end-2027, of which 6.5 million in 2026. Moreover, new projects are expected to continuously expand the pipeline in the coming years with engineering work related to funding applications and additional projects for companies with several CCS projects under planning emerging as additional activity drivers.

Technology development

Capsol is working on a number of initiatives to leverage the technology platform and create more client value. Building on access to project data and extensive client and partner network, Capsol aims to become a trusted partner across the full carbon capture lifecycle. This is expected to ultimately generate recurring revenue on a per-tonne-captured basis, on top of the current upfront 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.

Late last year, Capsol opened a hot potassium carbonate (HPC) R&D center in Stavanger, Norway, building industry-leading intellectual property and know-how to enable increased cost-efficiency and project development speed.

Previous studies in the cement industry have shown energy consumption numbers for CapsolEoP® as low as 0.5 GJ/mt with limited plant integration. In Q1, 2025, Capsol Technologies applied for a new patent that improves heat integration and helps lower this consumption even further. As a result, CapsolEoP® surpasses the performance of commercially available Organic Rankine Cycles when high grade heat is used to save electricity.

At CERAWeek 2025 by S&P Global in March this year, the world's leading energy conference, Capsol Technologies was selected as one of six Energy Innovation Pioneers. The recognition highlights Capsol's role in advancing scalable and cost-efficient carbon capture solutions to accelerate industrial decarbonization. The 2025 class of Energy Innovation Pioneers features cutting-edge technologies and visionaries driving the transformation of the energy landscape – innovations that have the potential to disrupt the global energy industry.

On the back of recent milestones, Capsol's technology has received significant validation, effectively broadening the range of opportunities for collaboration and growth paths. To accelerate market deployment and strengthen its presence in key industrial and geographical markets, the company has engaged Pareto Securities to advance ongoing discussions with potential strategic partners and review growth financing options. The initiative forms part of our long-term strategy to scale the business and deliver enhanced value to shareholders.

Organization

On February 27, 2025, Capsol Technologies announced that its Nomination Committee has proposed Chris Barkey as the new Chair of the Board, to succeed Endre Ording Sund who previously announced he will step down upon the conclusion of his term in 2025. Sund will continue to serve on Capsol's Advisory Board. The nomination of the new Chair will be presented for shareholder approval at the Annual General Meeting on May 21, 2025.

Chris Barkey brings extensive experience in advanced engineering and technology leadership with a career spanning leading roles at global industrial companies, with a special focus on turbomachinery and gas turbines. He is a former Chief Technology Officer of Baker Hughes, Group Director of Engineering & Technology at Rolls-Royce plc, and CEO of the Henry Royce Institute, the UK's national institute for advanced material science. He currently serves as Non-Executive Director of ELE Advanced Technologies Ltd and as a Senior Strategic Advisor for Net Power LLC. Mr. Barkey is a Chartered Engineer and a Fellow of the Royal Academy of Engineering, the Royal Aeronautical Society, and the Institute of Mechanical Engineers.

Jacob Zeno Clausen Krøvel has been appointed Senior Vice President Investment and Strategy. He brings over a decade of experience from various disciplines in finance from Deloitte, Arctic Asset Management, as CFO at a subdivision of Norsk Gjenvinning and most recently from the position as Head of Investor Relations at the Norwegian technology provider Volue. Krøvel will lead the company's activities across structural opportunities, strategic positioning, and engagement with capital markets stakeholders – ensuring that these efforts support Capsol's long-term growth and value creation. He holds an MSc in Applied Economics and Finance from Copenhagen Business School (CBS) and completed an exchange at Erasmus University Rotterdam.

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 is being deployed in attractive growth opportunities including new markets, new solutions and new revenue streams. By end Q1, these initiatives have resulted in increased demonstration campaign activity, traction in North America, and the first paid studies for CapsolGT®.

Total operating income amounted to NOK 24.9 million in Q1, 2025, compared to NOK 19.5 million in Q1, 2024.

The majority of revenues still stem from the CapsolGo® demonstration campaigns, with increasing contributions from engineering deliveries to develop projects towards FID. These revenues are increasingly coming from larger customers with multiple site operations.

Summary of profit and loss

Amounts in NOK million	**Q1 2025**	Q1 2024	YTD 2025	2024
Revenue	24.9	19.5	24.9	94.2
Total operating revenue	24.9	19.5	24.9	94.2
Operating income/-loss	-13.7	-5.7	-13.7	-30.1
Net financial income/-loss	-2.5	-2.2	-2.5	-2.7
Income/-loss before income tax	-16.1	-7.9	-16.1	-32.8
Net income/-loss	-16.1	-7.9	-16.1	-32.8
Basic and diluted earnings per share	-0.23	-0.14	-0.23	-0.54

Q1 revenue increased by 28% compared to the same period the year before, driven by increased demonstration campaign and engineering activity. Despite year-over-year losses increasing due to strategic investments, key commercial milestones have laid the foundation for revenue scaling from H2, 2025, and beyond. Total operating expenses amounted to NOK 38.6 million in Q1, 2025, driven by continued investments in growth initiatives, including expanded engineering capacity and opening of the HPC R&D center. Capsol had an operating loss of NOK 13.7 million in the quarter vs. a loss of NOK 5.7 million in the corresponding period in 2024.

Net financial items were NOK -2.5 million in Q1, 2025, compared to NOK -2.2 million in Q1, 2024.

Pre-tax profit amounted to NOK -16.1 million for Q1, 2025, relative to NOK -7.9 million in Q1, 2024.

Cash flow summary

Amounts in NOK million	**Q1 2025**	Q1 2024	YTD 2025	2024
Net cash flow from operating activities	0.6	-18.1	0.6	-30.6
Net cash flow from investing activities	-0.1	-2.6	-0.1	-31.4
Net cash flow from financing activities	-6.1	75.5	-6.1	84.0
Net increase/(decrease) in cash and cash equivalents	-5.5	54.8	-5.5	22.0
Cash and cash equivalents as at beginning of period	64.4	41.6	64.4	41.6
Effect of change in exchange rate	-0.4	0.8	-0.4	0.9
Cash and cash equivalents as at end of period	58.5	97.3	58.5	64.4

Cash flow

Net cash flow from operating activities was NOK 0.6 million in Q1, 2025, while the comparable figure for Q1, 2024, was NOK -18.1 million. The Stockholm Exergi license payment was included in the Q1, 2025 cash flow.

Net cash flow from investment activities was NOK -0.1 million in the quarter, compared to NOK -2.6 million in Q1, 2024 as the CapsolGo® investment program is coming to completion.

Net cash flow from financing activities in Q1, 2025 was NOK -6.1 million mainly relating to servicing the company credit facilities. Net change in cash and cash equivalents from Q4, 2024 was NOK -7.2 million. The company held NOK 58.5 million in cash and cash equivalents by the end of Q1, 2025.

Financial position

Total assets by the end of Q1 2025 were NOK 173.8 million compared to NOK 202.6 million by the end of Q1 2024. NOK 98.8 million was non-current assets, including NOK 79.6 million in plant and equipment. Current assets were NOK 75.1 million, with NOK 58.5 million in cash and bank deposits.

Total equity was NOK 101.3 million, corresponding to an equity ratio of 58%.

Total liabilities amounted to NOK 72.5 million, of which short-term liabilities was NOK 46 million.

Total debt to financial institutions was NOK 41.4 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 March 31, 2025, the company had 62,898,669 issued shares, divided between 1,079 shareholders.

The closing price for the company's shares was NOK 9.26 per share as of March 31, 2025, which corresponds to a market capitalization of NOK 582 million.

20 largest shareholders March 31, 2025

Rederiaktieselskapet Skrim	9 546 474
SEOTO AS	5 172 677
DNB Bank ASA	5 039 683
Aquila Holdings Investment AS	4 033 188
MP Pensjon PK	2 886 800
T.D. Veen AS	2 093 202
Danske Bank A/S	1 808 018
F2 Funds AS	1 604 629
Redback AS	1 549 769
Tigerstaden AS	1 500 000
Mathisen	1 410 578
F1 Funds AS	1 292 538
GM Capital AS	1 200 000
Danske Invest Norge Vekst	1 185 037
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
Brownske Bevegelser AS	725 037
Total	**46 122 684**

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 society at large.

Capsol's impact lies in enabling larg-scale CO_2 emitters to accelerate decarbonization through energy-efficient, safe carbon capture technologies that make CCS projects more economically viable.

Capsol is currently focused on technology development, engineering, project demonstration and sales. The company has clear strategic priorities to drive significant growth in the coming decade, along with an expanding market for carbon capture. Within sustainability, the focus so far has been on business conduct, the development and preservation of human capital and the protection of intellectual property (IP). As portfolio projects take FIDs and begin development, Capsol will support supply chain management and ensuring that a green procurement strategy is in place to minimize the carbon footprint of both its own business and its products.

More information on the company's sustainability work and governance framework can be found in the ESG Reporting chapter of the Annual Report 2024.

Market developments

Carbon capture technology is becoming a crucial tool in reducing CO_2 emissions from hard-to-abate industries, helping limit global warming and climate change. The market is poised for rapid growth as governments and businesses seek to comply with 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 reach 2.5 billion tonnes by 2035 and 5.9 billion tonnes by 2050. By comparison, DNV's base-case Energy Transition Outlook forecasts 420 million tonnes in 2035, increasing to 1.4 billion tonnes in 2050. At the same time, announced pledges amount to 1.3 and 3.7 billion tonnes for 2035 and 2050, respectively, indicating political will to strengthen policies and further accelerate CCS deployment beyond the current trajectory.

The cumulative capacity of all projects announced that are tracked by the Global CCS Institute in its latest report from October last year (not including several large projects in Capsol's pipeline), was 416 million tonnes of annual carbon capture. While this is insufficient to deliver on targets, 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). As of May 1, 2025, the ETS price was trading at EUR 66.55 per tonne CO_2 and is expected to increase over time. BNEF (Bloomberg New Energy Finance) forecasts the ETS to reach EUR 149 per tonne by 2030, while LSEG expects the ETS to be EUR 250 by 2040. 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 tonne, 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_2 emission.

With an ETS price of 100 EUR/tonne CO_2 and emissions of 0.6 tonnes CO_2/tonne cement produced, the cost of imported cement would 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 and carbon removal offtake agreements are set to further fuel market expansion:

- On January 27, 2025, Stockholm Exergi was awarded support for BECCS through a reverse auction by the Swedish Energy Agency, with granted support of EUR 1.7 billion to be paid out over up to 15 years.
- On January 27, 2025, 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). On April 1, 2025, Frontier facilitated carbon removal offtake agreements with Hafslund Celsio which enables the first-ever carbon removal retrofit of a EfW facility.
- On February 26, 2025, the European Commission announced the Clean Industrial Deal, which include a review of the Carbon Border Adjustment Mechanism (CBAM) and could extend carbon pricing to additional sectors. Further, the EU will mobilize up to EUR 100 billion to establish a Decarbonization Bank and fund new industrial decarbonization auctions. As a result, approvals for decarbonization and clean tech funding could be accelerated.
- On March 27, 2025, Equinor, Shell and TotalEnergies made an FID to progress phase two of the Northern Lights development after signing a commercial agreement with Stockholm Exergi. The project has been awarded EUR 131 million from the Connecting Europe Facility funding scheme, approved by the European Commission last year. Phase two of the development will increase the total injection capacity from 1.5 to at least 5 million tonnes of CO_2 per year.
- In April 2025, Microsoft announced two notable offtake agreements. The company has agreed to purchase 6.75 million metric tonnes of engineered carbon removal over 15 years from the planned AtmosClear BECCS facility near Baton Rouge, Louisiana. Microsoft has also signed an agreement with carbon dioxide removal (CDR) developer CO280 to purchase nearly 3.7 million tonnes of carbon removal credits over 12 years. CDRs will come from a project that captures and permanently stores biogenic CO_2 emissions from a US-based pulp and paper mill.
- On April 22, 2025, the US Administration confirmed continued support for CCS: "By supporting cutting-edge technologies like carbon capture and storage, nuclear energy, and next-generation geothermal, the Trump Administration is ensuring America leads in both energy production and environmental innovation," the Administration stated.
- In 2025, China is ramping up its carbon capture and storage efforts by expanding its national carbon market to include the steel, cement and aluminum sectors, alongside the rollout of new methodologies for generating carbon credits. In 2024, the average Chinese ETS price was USD 13.33 per tonne.

Incentives are in place to already drive emitters' demand today for solutions to reduce, capture, and remove emissions in Europe and the US. Continuous implementation of additional incentives globally could further accelerate the deployment of cost-competitive CCS technologies.

Outlook

Based on a highly competitive technology that is relevant for a range of industrial emitters, and the support of an ecosystem of global partners, Capsol is targeting a 5-10% market share of carbon capture technology licensing (on track for 4-6%+ with current organic business plan – additional growth levers identified). Additionally, the company targets EUR 10-15 in technology licensing revenue per tonne capacity installed and a medium to long-term 40-60% pre-tax margin.

The target market share is based on post-combustion carbon capture growing from around 40% today to 50% in 2050 as pre-combustion CCS is a more established technology and post-combustion has just started to mature. In addition to benefiting from the accelerated global adoption of post-combustion CCS, Capsol is focused on some of the fastest-growing sectors, including bio-CCS, cement, and gas turbines. The company is also delivering solutions for industries just beginning to develop their first CCS projects. As a result, Capsol estimates its obtainable market share to exceed 4% of total CCS capacity that has passed final investment decision (FID) by 2030, rising to over 5% by 2035 and more than 6% by 2050—with additional upside potential from emerging structural opportunities.

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
- 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. Near-term, increased level of high-value engineering work, such as PDPs and FEEDs, will contribute to higher revenue. This could enable break-even in the next 12 months. Profitability will be enabled by FIDs, which trigger licensing revenue – typically paid in equal instalments over three years. Based on a thorough assessment of its mature project pipeline, Capsol forecasts a risked 2026 EBITDA of NOK ~60 million, while noting that the range is wide given the binary nature of these projects.

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 substantial 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 April 10, 2025, Capsol published its integrated Annual Report for 2024.

Risk management

Capsol operates in a global market that is influenced by government subsidies, CO_2 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.

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 – while also expanding into operational services based on customer demand for leveraging Capsol's HPC expertise to further optimize performance. Another risk being closely monitored is the short-term pace of the market and customer decision making which impacts Capsol's ability to generate revenue and capacity to invest. To mitigate this, Capsol is maintaining cost discipline and flexibility.

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.

Further, 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.

Capsol interim financial statements Q1 2025

Consolidated financial statements

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Consolidated statement of profit and loss

	Notes	**Q1 2025**	Q1 2024	YTD 2025	2024
Amounts in NOK					
Operating income and expenses					
Revenue	4	24 945 020	19 507 840	24 945 020	94 160 578
Total operating revenue		24 945 020	**19 507 840**	24 945 020	**94 160 578**
Cost of contract fulfillment		8 956 787	6 415 395	8 956 787	21 345 011
Personnel expenses	7	15 654 940	10 062 296	15 654 940	50 306 197
Depreciation expenses	6	4 735 129	2 399 355	4 735 129	14 165 644
Other operating expenses		9 249 912	6 327 879	9 249 912	38 393 919
Total operating expenses		**38 596 769**	**25 204 925**	**38 596 769**	**124 210 770**
Operating income/-loss		-13 651 750	-5 697 086	-13 651 750	-30 050 192
Financial income and expenses					
Other interest income		118 104	209 346	118 104	2 646 697
Other financial income		1 237 720	1 718 887	1 237 720	6 124 273
Other interest expenses		-828 372	-1 463 345	-828 372	-4 748 455
Other financial expenses		-2 994 767	-2 702 153	-2 994 767	-6 754 646
Net financial income/-loss	5	**-2 467 316**	**-2 237 265**	**-2 467 316**	**-2 732 131**
Income/-loss before income tax		-16 119 067	-7 934 351	-16 119 067	-32 782 322
Income tax expense					
Net income/-loss		**-16 119 067**	**-7 934 351**	**-16 119 067**	**-32 782 322**
Basic and diluted earnings per share		-0.23	-0.14	-0.23	-0.54

Consolidated statement of comprehensive income

	Notes	**Q1 2025**	Q1 2024	YTD 2025	2024
Amounts in NOK					
Net income/-loss		-16 119 067	-7 934 351	-16 119 067	-32 782 322
Other comprehensive income					
Items that may be reclassified to profitt and loss in subsequent periods:					
Currency translation difference, net of tax		73 590	-	73 590	2 080
Other comprehensive income for the period, net of tax		73 590	-	73 590	2 080
Total comprehensive income/-loss for the period		**-16 045 476**	**-7 934 351**	**-16 045 476**	**-32 780 242**

Consolidated statement of financial position

	Notes	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Amount in NOK				
ASSETS				
Non-current assets				
Intangible assets		12 666 021	7 229 563	12 773 970
Plant, property and equipment	6	79 623 692	68 043 355	83 639 419
Right of use assets	6	6 456 313	8 012 373	6 755 051
Total non-current assets		**98 746 026**	**83 285 291**	**103 168 440**
Current assets				
Accounts receivables		10 598 122	10 755 726	30 676 954
Contract assets		33 321	1 044 131	167 517
Other short-term receivables		5 920 870	10 249 843	7 285 720
Cash and cash equivalents		58 522 567	97 265 015	64 443 690
Total current assets		**75 074 880**	**119 314 715**	**102 573 881**
Total assets		**173 820 902**	**202 600 007**	**205 742 320**

Consolidated statement of financial position

	Notes	Mar 31, 2025	Mar 31, 2024	Dec 31, 2024
Amounts in NOK				
EQUITY AND LIABILITIES				
Equity				
Share capital		31 449 334	30 269 334	31 449 334
Share premium		186 058 374	159 708 745	186 058 374
Other paid in capital		26 313 275	22 071 143	25 271 799
Other equity		-142 519 144	-101 956 633	-126 804 086
Total equity		**101 301 840**	**110 092 589**	**115 975 420**
Liabilities				
Non-current liabilities				
Lease liabilities		4 366 935	6 128 515	4 787 621
Debt to financial institutions		22 151 814	42 142 331	27 613 473
Total non-current liabilities		**26 518 749**	**48 270 845**	**32 401 094**
Current liabilities				
Trade creditors		8 973 830	5 518 060	15 374 658
Lease liabilities		2 186 234	1 917 100	2 109 137
Contract liabilities		3 876 641	8 813 916	6 761 037
Current-portion of debt to financial institution		19 207 505	18 687 384	19 228 804
Public duties payable		1 070 283	2 291 010	3 764 604
Other current liabilities		10 685 822	7 009 101	10 127 564
Total current liabilities		**46 000 315**	**44 236 572**	**57 365 804**
Total liabilities		**72 519 064**	**92 507 417**	**89 766 898**
Total equity and liabilities		**173 820 902**	**202 600 007**	**205 742 320**

Oslo, May 12, 2025

The Board of Capsol Technologies ASA

Endre Ording Sund
Chair of the Board

John Arne Ulvan
Member of the Board

Monika Inde Zsak
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	Q1 2025	Q1 2024	YTD 2025	2024
Amounts in NOK					
CASH FLOW FROM OPERATING ACTIVITIES					
Profit/(loss) before income tax		-16 119 067	-7 934 350	-16 119 067	-32 782 322
Adjustments to reconcile profit/loss before tax to net cash flow:					
Depreciation and amortization expenses	6	4 735 129	2 399 355	4 735 129	14 165 644
Finance (income)/expense net	5	2 467 316	2 237 265	2 467 316	2 732 130
Working capital changes:					
Change in trade and other receivables		20 078 832	-933 777	20 078 832	-20 855 005
Change in trade and other payables		-6 441 458	-9 806 635	-6 441 458	16 309
Change in other current assets and liabilities		-1 551 338	-1 866 332	-1 551 338	4 287 361
Change in contract balances		-2 750 199	-4 155 180	-2 750 199	-5 331 446
Share based compensation scheme without cash impact	7	1 041 476	1 963 955	1 041 476	5 164 610
Share based compensation employment tax	7	-	-258 948	-	-1 335 753
Interests received		118 104	209 346	118 104	2 646 697
Currency translation effects		-968 295	-	-968 295	648 515
Net cash flow from operating activities		**610 501**	**-18 145 301**	**610 501**	**-30 643 260**
CASH FLOW FROM INVESTMENT ACTIVITIES					
Payment for property plant and equipment	6	-51 339	-2 556 750	-51 339	-25 531 158
Payment for intangible assets		-	-	-	-5 868 251
Government grants received on investment activities		-	-	-	-
Net cash flow from investing activities		**-51 339**	**-2 556 750**	**-51 339**	**-31 399 409**

Consolidated statement of cash flow

	Notes	**Q1 2025**	**Q1 2024**	YTD 2025	2024
CASH FLOW FROM FINANCING ACTIVITIES					
Net equity received		-	82 138 531	-	109 668 161
Proceeds from borrowings		-	-	-	-
Repayment of borrowings		-4 733 305	-4 671 846	-4 733 305	-19 023 321
Repayment of lease liability		-519 699	-456 662	- 519 699	-1 901 067
Interests paid on borrowings		-692 025	-1 302 333	- 692 025	-4 158 329
Interests paid on lease liability		-136 347	-161 012	-136 347	- 590 126
Net cash flow from financing activities		**-6 081 376**	**75 546 679**	**-6 081 376**	**83 995 318**
Net increase/(decrease) in cash and cash equivalents		-5 522 215	54 844 627	-5 522 215	21 952 648
Cash and cash equivalents as at beginning of period		64 443 690	41 615 681	64 443 690	41 615 681
Effect of change in exchange rate		-398 909	804 708	- 398 909	875 363
Cash and cash equivalents as at end of period		**58 522 567**	**97 265 016**	**58 522 567**	**64 443 690**

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, 2025		31 449 334	186 058 373	25 271 798	1 629	-126 805 714	115 975 420
Profit for the year						-16 119 067	-16 119 067
Other comprenehsive income IFRS					73 590		73 590
Share based compensation				1 041 476			1 041 476
Other changes to equity						330 420	330 420
Balance at Mar 31, 2025		**31 449 334**	**186 058 373**	**26 313 274**	**75 219**	**-142 594 361**	**101 301 840**

Notes to the consolidated financial statements

Note 1 General information

The accompanying interim financial statements of Capsol Technologies ASA, for the period ending March 31, 2025, and the comparable interim financial statements for the period ending December 31, 2024, were authorized for issue on May 13, 2025, 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, 2024, 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, 2024.

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, 2024. In the interim financial statements, the first quarter is defined as the reporting period from January 1, to March 31, 2025.

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 2024 annual report.

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

There are no siginificant 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:

Geograpical distribution	**Q1 2025**	Q1 2024	YTD 2025	2024
Amounts in NOK				
Europe	24 945 020	19 507 840	24 945 020	94 160 578
US	-	-		-
Total operating revenue	**24 945 020**	**19 507 840**	**24 945 020**	**94 160 578**
Timing of recognition				
At point time	3 953 142	738 773	3 953 142	37 779 126
Overtime	20 991 878	18 769 067	20 991 878	56 381 452

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

	Q1 2025	Q1 2024	YTD 2025	2024
Amounts in NOK				
Other interest income	118 104	209 346	118 104	2 646 697
Currency gain	1 237 720	1 718 887	1 237 720	6 124 273
Other interest expense	-692 026	-1 305 218	-692 026	-4 182 062
Interest expense lease	-136 347	-161 012	-136 347	-590 126
Currency loss	-2 994 767	-2 699 268	-2 994 767	-6 730 913
Total net financial items	**-2 467 316**	**-2 237 265**	**-2 467 316**	**-2 732 131**

Note 6 Intangible assets and property, plant and equipment

Intangible assets	**Mar 31, 2024**	Mar 31, 2024	Dec 31, 2024
Amounts in NOK			
Accumulated cost at Jan 1	14 501 145	8 632 894	8 632 894
Additions	-	-	5 868 251
Accumulated cost at Dec 31	**14 501 145**	**8 632 894**	**14 501 146**
Accumulated depreciation and impairment Jan 1	-1 727 174	-1 295 382	-1 295 382
Amortization for the period	-107 948	-107 948	-431 794
Accumulated depreciation and impairment Dec 31	-1 835 123	-1 403 331	-1 727 176
Net carrying amount at Dec 31	**12 666 021**	**7 229 563**	**12 773 970**
Depreciation method	Straight line		Straight line
Useful life patents	17		17

Property, plant and equipment	**Mar 31, 2024**	Mar 31, 2024	Dec 31, 2024
Amounts in NOK			
Accumulated cost at Jan 1	101 840 169	76 308 855	73 797 627
Additions	51 339	2 556 750	25 531 159
Government grants	-	-2 511 228	2 511 228
Accumulated cost at Dec 31	**101 891 510**	**76 354 377**	**101 840 169**
Accumulated depreciation and impairment at Jan 1	-18 200 750	-6 530 031	-6 530 031
Depreciation for the period	-4 067 070	-1 780 990	-11 670 564
Accumulated depreciation and impairment Dec 31	-22 267 820	-8 311 021	-18 200 750
Net carrying amount at Dec 31	**79 623 692**	**68 043 355**	**83 639 419**
Depreciation method	Straight line		Straight line
Useful life	5		5

Intangible asset additions
There were no addition in the first quarter.

Intangible asset depreciation
The digital platform and R&D is still under development and is not depreciated as of period end March, 2025.

Depreciation of Right of used assets
The profit and loss depreciation cost of NOK 4,735,131 this quarter, also includes depreciation cost from the use of right assets, which amounts to a total of NOK 560,112 in Q1 2025.

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 Mar 31, 2025	62 898 669	62 898 669		
Share-based compensation	5 740 000	5 735 500	11,47	65 786 185
Total as of Mar 31, 2025	**68 638 669**	**68 634 169**		**65 786 185**

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 March 31, 2025, 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.

	Q1 2025	Q1 2024	YTD 2025	2024
Amounts in NOK				
Cost recognized related to share based compensation	1 041 476	1 963 955	1 041 476	5 164 510
Share based compensation employment tax	-	-258 948	-	-1 335 753
Total cost of the share based program	**1 041 476**	**1 705 007**	**1 041 476**	**3 828 757**

Note 8 Transactions with related parties

No related party transaction during the reporting period.

Note 9 Events after the reporting period

The Board of Directors is not aware of any other events that occurred after the balance sheet date, or any new information regarding existing matters, that can have a material effect on the first quarter of 2025 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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