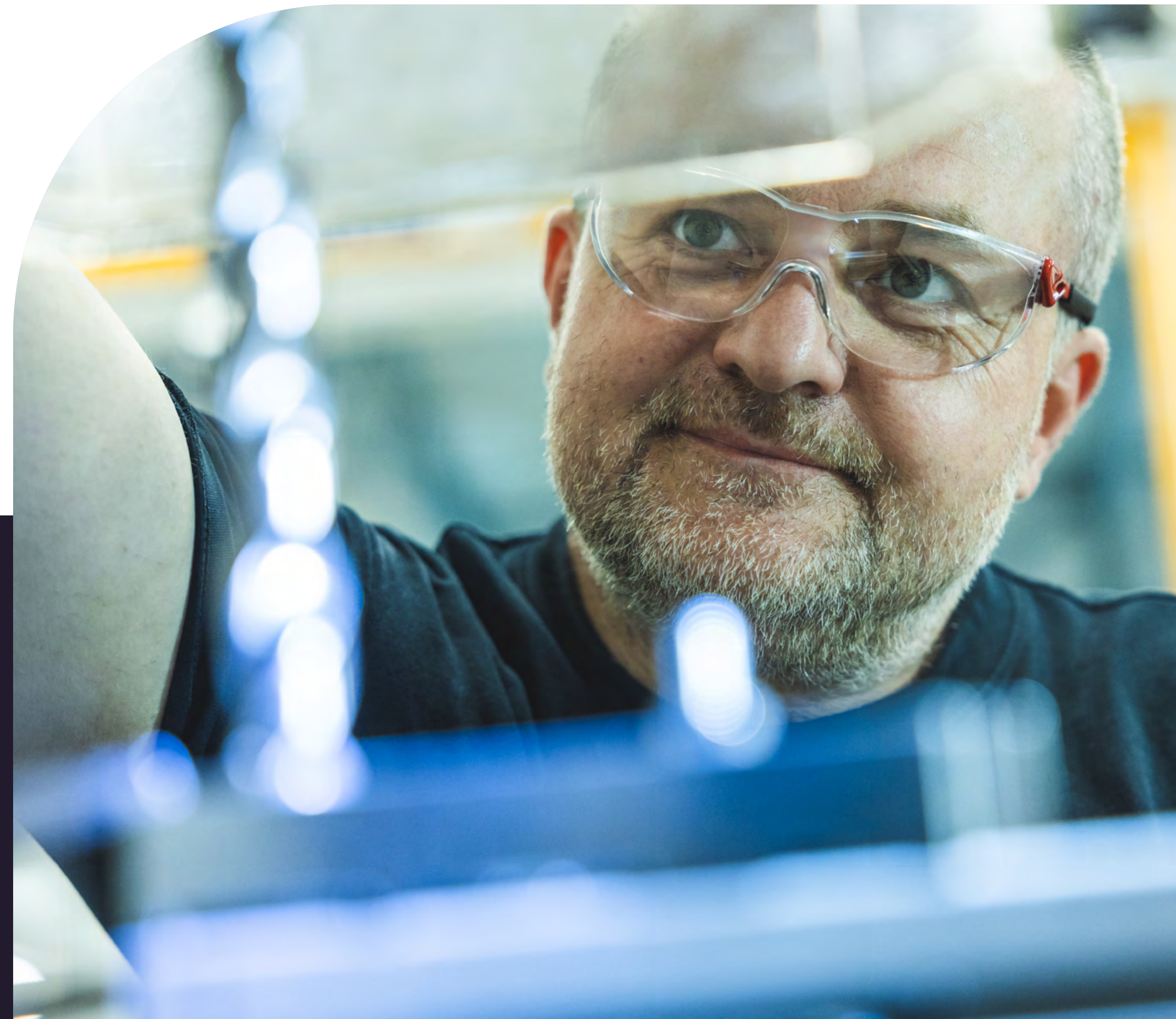
NAVIGATION

BERGEN CARBON SOLUTIONS



Q2 Report for the second quarter and first half 2024

BERGEN CARBON SOLUTIONS

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Letter from the CEO

ADDITIONAL STEPS FOR FURTHER DEVELOPMENT

As we close the second quarter 2024, I am pleased to provide you with an update on our progress at Bergen Carbon Solutions (BCS). This quarter has again been marked by additional steps in our thrive to further develop our CCU technology, the development of new industrial partnerships, and the enhancement of our organisational structure to better align with our strategic goals. Our equity story based on local production of strategic sustainable material for the battery industry, is indeed seeing an increasingly relevance as the challenging geopolitical situation continues.

CONTINUED FOCUS ON PROCESS OPTIMISATION AND TECHNOLOGY DEVELOPMENT

Our primary focus remains on the optimisation of our processes and the development of our carbon nanotube (CNT) product specifications. Over the past quarter, we have continued to work closely with our partners in an iterative testing regime. These tests have shown improvements in several critical specifications of our CNT product, which brings us closer to meeting the high standards required by the market, particularly for certain battery chemistries. However, we recognise that we still have work to do to fully align with the stringent quality demands of some battery technologies.

It is important to note that different battery chemistries have varying requirements when it comes to material specifications. While some chemistries are better suited to our current pro-

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cesses, others present more challenges. The complexity of these processes and the high standards required mean that our development work is taking longer time than initially anticipated. To address this, we are actively exploring several optimised process routes that we believe will enable us to progress faster on product quality.

NEW BATTERY LAB

I am excited to announce the completion of our new Battery Lab, located at our headquarters in Bergen. This state-of-the-art facility is equipped with advanced coin cell testing capabilities, allowing us to test our CNT products across various battery chemistries. The lab is a significant milestone for BCS, as it enables us to conduct in-house coin cell manufacturing and performance testing. This will not only reduce our development time but also allows us to make faster and more precise improvements to our products.

We have already begun material testing and the production of battery cells in the new lab, and I am pleased to report that we have successfully fabricated our first reference test cells. This marks an important step forward in our ability to validate and refine our CNT products, ensuring they meet the stringent demands of the battery market.

RESHAPING ORGANISATION

As we continue to evolve, it has become clear that our organisation must be reshaped to better fit our strategy as a battery material technology company. Unlike traditional production companies, BCS is now focused on technology development, know-how, and material quality. To support this focus, we have brought in new talent with the electrochemical process expertise required to drive our technology forward. By addressing past competency gaps and recruiting top talent, we are ensuring that we have the right people in place to meet our goals.

Our strategy is not centred on short-term production contracts but rather on securing technology development agreements with major industrial players as we would benefit working closer with industrial partners located differently in the complex battery value chain. To this end, we are as such undertaking active discussions with very relevant partners who can support our technology development efforts going forward.

PARTNERSHIP WITH MORROW BATTERIES

In August, we took a significant step toward our goal of building a sustainable battery value chain in Europe by signing a letter of intent (LOI) with Morrow Batteries. This collaboration aims to establish a strong European value chain for critical carbon materials, which will support Morrow's sustainable battery cell production. We are excited about the potential of this partnership and look forward to working closely with Morrow to achieve our shared objectives.

FINANCIALS AND OUTLOOK

I am pleased to report that our burn rate remains under control, and we are well financed to continue our operations and strategic initiatives. Our focus remains on process optimisation, product customisation, and securing product and technology development agreements with major industrial players. On the macro level it is also very promising to note the further EU focus on critical raw materials, with the Critical Raw materials act being ratified in May followed by the establishment of the EU Critical Raw materials board.

Looking ahead, we remain confident in our technological approach and our ability to meet market expectations. The path to success in this new industry is complex and challenging, but we are committed to overcoming these challenges and delivering value to our shareholders.

Odd Strømsnes,
CEO of Bergen Carbon Solutions

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This is Bergen Carbon Solutions

Headquartered in Bergen, Norway, Bergen Carbon Solutions (BCS) is a technology company the field of carbon utilisation. Since our establishment in 2016 and subsequent IPO in 2021, we have been dedicated to pioneering sustainable solutions that make a real-world impact.

Our core technology aims to leverage the power of electrolysis to transform CO_2 into valuable carbon products, including graphite and carbon nanotubes (CNTs) for the battery industry. By harnessing the potential of this process, our goal is to contribute to addressing environmental challenges while creating useful materials.

At BCS, we prioritise innovation that's rooted in practicality. Our team of experts collaborates to drive advancements in carbon utilisation. Our approach focuses on turning innovative ideas into tangible solutions.

While our operations are based in Bergen, our vision extends globally. Through partnerships and collaborations, we aim to amplify the impact of our solutions on a larger scale and contributing to a more sustainable future.

Sustainability isn't just a tagline for us; it's the essence of our work. Our processes can produce products with a significantly reduced CO_2 footprint. By utilising advanced technology, we're making steps toward a greener tomorrow. Through practical innovation and a commitment to sustainability, we're actively shaping industries and pioneering change.

For more information and updates, visit our website: bergencarbonsolutions.com

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HIGHLIGHTS AND KEY FIGURES

HIGHLIGHTS FOR THE SECOND QUARTER

- **Activities for verifying our technology and products towards customers are key focus.**
- **LOI with Morrow signed in August.**
- **Extensive market activity in the quarter, with several ongoing partnership discussions – our goal is to find technology development partners.**
- **Completed construction of the Battery Lab at HQ in Bergen, with successful fabrication of our first reference test cells**

KEY FIGURES*

Amounts in NOK thousand	**Q2 2024**	Q2 2023	**H1 2024**	H1 2023
Total revenue and other income	**34**	176	**44**	181
Total operating expenses	**19 927**	18 333	**42 694**	36 902
Operating profit (loss)	**(19 893)**	(18 157)	**(42 650)**	(36 721)
Net profit (loss) for the period	**(17 807)**	(18 423)	**(37 844)**	(37 237)
Net change in cash and cash equivalents	**(21 038)**	(17 259)	**(41 575)**	(33 471)
Cash and cash equivalents, end of period	**191 469**	259 518	**191 469**	259 518
Outstanding shares, end of period	**41 970 140**	41 970 140	**41 970 140**	41 970 140
Cash and cash equivalents/total asset	**81%**	86%	**81%**	86%
Equity ratio	**89%**	90%	**89%**	90%
Equity	**211 315**	271 496	**211 315**	271 496
Total assets	**237 511**	301 018	**237 511**	301 018

** Unaudited consolidated group figures, simplified IFRS.*

BERGEN CARBON SOLUTIONS

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BOARD OF DIRECTORS' REPORT

NATURE OF THE ENTERPRISE

Bergen Carbon Solutions AS (BCS), located in Bergen, Norway, is developing technologies converting CO_2 into nano and macro carbon products such as Multi Walled Carbon Nano Tubes (MWCNT), and graphite. The company has the ambition to pioneer a new material-technology industry, creating local sustainable carbon products for the battery industry, that is both ground-breaking and environmentally friendly. The geopolitical context of producing strategic and sustainable battery components within Europe, will have an increasingly importance going forward. The BCS strategy is meeting all these requirements.

FUTURE DEVELOPMENT

Main priorities during first half of 2024 have been to continue work on optimalisation of BCS' technology. All available technical resources have been prioritised towards process development activities. Production volume is as such not prioritised for the time being. Control of the process window including obtaining the right quality of the different carbon products will need to be in place prior to a further industrialisation and scale up strategy.

At the end of the second quarter the new battery lab was completed, enabling in-house coin cell manufacturing and performance testing. With this lab BCS will be able to enhance the technology development capability and accelerate the optimisation of carbon nanotube products for various battery applications.

The Korean chemical company TKG Huchems has now tested the product in two rounds. BCS has received valuable feedback that confirms quality improvement in some areas, however, the exact specifications still need more work and further optimisation to meet what the company believe is the required market specification.

The characterisation capacity has increased through investment of new equipment. This allows the company to accelerate feedback of testing. The collaboration with University of Bergen continuous on other characterisation equipment.

During the six first months, there has been an increased market exposure through key market events and meetings. Focus has been towards technology agreements with potentially future industrial partners. The recently signed LOI agreement with Morrow is one such example.

The board emphasises that the forward-looking statements in this report are based on various assumptions and forecasts that, by their nature, involve risk and uncertainty.

FINANCIAL STATEMENTS

First half of 2024 has a net loss of NOK 37.8 million compared to NOK 37.2 million in 2023.

The financial statements for second quarter 2024 shows a net loss of NOK 17.8 million, compared to NOK 18.4 million in the second quarter 2023.

Adjusted net loss for the quarter was NOK 14.6 million due to NOK 3.2 million in one-offs, where 3.1 million is non-cash cost. Adjusted net loss for first half of 2024 is NOK 32.9 million.

After impairment testing of assets, NOK 2 082 million has been written down.

The financial result is better than expected and is a direct result of strict cost-control along with focus on the company's core business.

Cash and cash equivalents at the end of the period was NOK 191.5 million, compared to NOK 259.5 million in the second quarter 2023.

BCS has a steady cash-burn according to planned growth and amounts to NOK 21 million in the second quarter, NOK 41.5 million for the first half of 2024.

Interest income of NOK 2.3 million is accrued, non-disposable for second quarter, NOK 5.3 million for first half.

Total investments in the second quarter 2024 were NOK 4.4 million, NOK 5.8 million for first half of 2024; mainly equipment for new battery lab and separation filtration station.

Per end of the second quarter 2024, total assets amounted to NOK 237.5 million, compared to NOK 301 million at the same time last year. Total equity was NOK 211.3 million vs. NOK 271.5 million in the second quarter 2023.

FINANCIAL RISK

During first half of 2024 BCS has invested in battery lab and upgraded separation filtration station.

The company will continue its work with product quality, cost reduction efforts and optimalisation of the technology, and invest in both equipment and competence to secure progress.

MARKET RISK

In 2023, BCS received approval from Innovation Norway for funding of NOK 6 million for a joint research project with a Chinese partner on Sodium Ion Batteries. In addition, a funding from Skattefunn was approved for the same project. The project is progressing well.

LIQUIDITY AND CREDIT RISK

The working environment in the company is considered by the board of directors to be good.

At beginning of 2024, the company established a working environment committee that has meeting every quarter.

The company has a high focus on QHSE and has no incident leading to medical treatment or absence from work.

Total sick leave for the company for first half 2024 was 5.58 per cent, mainly due to a few long-term absence cases. Healthy employees are important for the company, close collaboration with the company's health service and treatment insurance are some of the initiatives to secure this.

Bergen Carbon Solutions AS aims to be a workplace where full equality prevails between genders. The company has incorporated a personnel policy that is considered gender neutral in all areas. By end of first half 2024 the company had 32 employees, six females and 26 males. The company's board of directors consists of six people, four males and two females.

WORKING ENVIRONMENT, GENDER EQUALITY AND DISCRIMINATION

The working environment in the company is considered by the board of directors to be good.

At beginning of 2024 the company established a working environment committee that has meeting every quarter.

The company has a high focus on HSEQ and has no incident leading to medical treatment or absence from work.

Total sick leave for the company for first half 2024 was 5.58 per cent, mainly due to a few long-term absence cases. Healthy employees are important for the company, close collaboration with the company's health service and treatment insurance are some of the initiatives to secure this.

Bergen Carbon Solutions AS aims to be a workplace where full equality prevails between genders. The company has incorporated a personnel policy that is considered gender neutral in all areas. By end of first half 2024 the company had 32 employees, six females and 26 males. The company's board of directors consists of six people, four males and two females.

ENVIRONMENTAL REPORTING

In addition to BCS's production method being CO_2 negative, BCS otherwise have a strong focus on the environment and does its best to have as energy efficient production as possible. The most important resources used are energy, water, and CO_2. Paper, cardboard, plastic, metal, wood and (small) quantities of hazardous waste are delivered to recycling stations. BCS does not have emissions to water, emission to air consists of small amounts of CO_2 from the product purification process. BCS aim to have zero emissions at all levels at the test factory in Flesland, and the future large-scale production.

The company's climate strategy is intricately woven into the business model, demonstrating BCS' commitment to environmental responsibility. The new separation line recovering the electrolyte will further reduce the company's CO_2 footprint.

The new separation line recovering the electrolyte will further reduce the company's CO_2 footprint.

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BOARD OF DIRECTORS' INSURANCE

BCS has taken board of directors liability insurance which also cover CEO liability.

DISPOSAL OF PROFIT AND LOSS

Loss of NOK 37.8 million for first half of 2024 for the parent company is proposed transferred from the share premium.

CONTINUED OPERATION

The board believes that the accounts provide a true and fair view of the development and results of the company's operations and position.

The board of directors has reviewed the company and group's ongoing operations, position, and performance development. The board of directors believes that there is basis for continued operations and the financial statements for first half of 2024 have been created accordingly.

OUTLOOK STATEMENT

BCS' carbon products do have an interest across the entire battery value chain as the company intends to offer locally produced strategic raw materials essential for companies with many interests in this field.

In August, the company announced a signed Letter of Intent with Morrow Batteries, a Norwegian battery technology and production company. The purpose of the LOI is to establish and commercialise a sustainable value chain in Norway for key battery materials.

The company continues to build industrial relations and strives to secure strategic partnership.

BCS has been able to successfully implement new processes and test equipment that allows for faster feedback loops and consequently faster improvements.

The focus of the company for the next few quarters will be to continue to optimise the technology in collaboration with different partner companies that later can become valued customers. The new battery lab test equipment is currently being ramped up, this will strengthen the technical expertise and accelerate the progress made.

RESPONSIBILITY STATEMENT

FROM THE BOARD OF DIRECTORS AND CEO OF BERGEN CARBON SOLUTIONS AS

We confirm, to the best of our knowledge, that the financial statements for the period 1 January to 30 June 2024 have been prepared in accordance with current applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the entity.

We also confirm that the board of directors' report includes a true and fair review of the development and performance of the business and the position of the entity and the group, together with a description of the principal risks and uncertainties facing the entity and the group.

Bergen, 20 August 2024

The board of directors and CEO, Bergen Carbon Solutions AS

Jon André Løkke
Chair

Gunnvor Dyrdi Remøy
Director

Rita Glenne
Director

Dag Vikar Skansen
Director

Terje Christian Fatnes
Director

Finn Blydt-Svendsen
Director

Odd Strømnes
CEO

BERGEN CARBON SOLUTIONS

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FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS

Amounts in NOK thousand	*Note*	**Q2 2024**	Q2 2023	**H1 2024**	H1 2023	2023
Revenue	*1*	**-**	-	**-**	-	-
Other operating income	1	**34**	176	**44**	181	296
Total operating income		**34**	176	**44**	181	296
Raw materials and consumables used		**77**	(169)	**1 530**	1 208	3 687
Own work capitilised		**-**	-	**-**	-	-
Personnel expenses		**9 049**	8 769	**20 160**	17 998	35 946
Depreciation tangible and intangible assets	*2, 3, 4*	**2 156**	1 627	**3 859**	3 254	6 369
Impairment loss	*2, 3*	**2 082**	-	**2 082**	-	526
Other operating expenses		**6 563**	8 106	**15 063**	14 442	28 397
Operating profit/(loss)		**(19 893)**	(18 157)	**(42 650)**	(36 721)	(74 629)
Other financial income		**2 325**	13	**5 254**	18	10 689
Other financial expenses		**239**	279	**448**	534	974
Profit/(loss) before tax		**(17 807)**	(18 423)	**(37 844)**	(37 237)	(64 914)
Income tax expense		**-**	-	**-**	-	-
Net Profit/(loss) for the period	*6*	**(17 807)**	(18 423)	**(37 844)**	(37 237)	(64 914)
Attributable to:						
Shareholders of the parent company		**(17 805)**	(18 364)	**(37 793)**	(37 022)	(64 591)
Non-controlling interests		**(2)**	(59)	**(51)**	(211)	(323)
Basic earnings per share (NOK)	*5*	**(0.42)**	(0.44)	**(0.90)**	(0.88)	1.54
Diluted earnings per share (NOK)	*5*	**(0.42)**	(0.44)	**(0.90)**	(0.88)	1.54

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STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	*Note*	**30.06.2024**	30.06.2023	31.12.2023
ASSETS				
Licenses and patents	*2*	**1 260**	618	1 412
Total intangible assets		**1 260**	618	1 412
Non-current assets				
Right of use asset	*3, 4*	**14 627**	17 954	15 434
Plant and machinery	*3*	**20 053**	18 553	18 643
Equipment and other movables	*3*	**678**	771	613
Total tangible assets		**35 358**	37 278	34 690
Total non-current assets		**36 618**	37 896	36 102
Current assets				
Inventory		**991**	751	2 285
Trade receivables		**-**	-	-
Other current receivables		**8 433**	2 853	3 045
Cash and cash equivalents		**191 469**	259 518	233 044
Total current assets		**200 893**	263 122	238 374
Total assets		**237 511**	301 018	274 476
EQUITY AND LIABILITIES				
Share capital	*6*	**126**	126	126
Share premium	*5, 6*	**211 056**	271 370	246 809
Other equity	*6*	**308**	-	483
Non-controlling interests	*6*	**(175)**	-	(124)
Total equity		**211 315**	271 496	247 294
Non-current liabilities				
Lease liability	*4*	**12 788**	16 103	13 694
Total non-current liabilities		**12 788**	16 103	13 694
Current liabilities				
Accounts payable		**3 233**	2 222	3 139
Tax payables		**-**	23	-
Public duties payable		**1 715**	1 393	2 512
Other current liabilities		**5 486**	7 042	5 036
Lease liability short term	*4*	**2 974**	2 739	2 801
Total current liabilities		**13 408**	13 419	13 488
Total liabilities		**26 196**	29 522	27 182
Total equity and liabilities		**237 511**	301 018	274 476

Bergen, 20 August 2024
The board of directors and CEO, Bergen Carbon Solutions AS

Jon André Løkke
Chair

Gunnvor Dyrdi Remøy
Director

Rita Glenne
Director

Dag Vikar Skansen
Director

Terje Christian Fatnes
Director

Finn Blydt-Svendsen
Director

Odd Strømnes
CEO

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STATEMENT OF CASH FLOWS

Amounts in NOK thousand	*Note*	**H1 2024**	H1 2023
Cash flow from operating activities			
Profit (loss) for the period		**(37 844)**	(37 234)
Adjustments for:			
Depreciation, amortisation and impairment	*2, 3, 4*	**5 941**	3 479
Loss/gain on the sale of fixed asets		**-**	-
Net interest income and interest expenses		**(4 805)**	512
Share based payment expenses		**1 896**	1 476
Changes in working capital;			
Change in inventory		**1 294**	511
Change in trade receivables		**-**	-
Change in trade payable		**94**	(711)
Change in other accrual items		**(573)**	226
Cash generated from operating activities		**(33 996)**	(31 740)
Interest recieved		**-**	-
Income taxes paid		**-**	-
Net cash flow from operating activities		**(33 996)**	(31 740)
Net cash flow from operating activities		**(33 541)**	(25 812)
Cash flow from investing activities			
Sale of fixed assets		**-**	-
Capital expenditures tangible assets	*3*	**(5 786)**	(2 020)
Capital expenditures manufactured intangible assets		**-**	-
Proceeds from investment grants		**-**	2 090
Capital contribution and/or incorporation of subsidiaries		**-**	-
Net cash used in investing activities		**(5 786)**	70
Cash flow from financing activities			
Capital increase		**-**	-
Repayment of lease liabillities		**(1 404)**	(1 341)
Payment of lease interest		**(388)**	(460)
Net cash flow from financing activitites		**(1 792)**	(1 801)
Net change in cash and cash equivalents		**(41 575)**	(33 471)
Cash and cash equivalents at the beginning of the period		**233 044**	292 989
Cash and cash equivalents at the end of the period		**191 469**	259 518

BERGEN CARBON SOLUTIONS

NOTES TO THE INTERIM FINANCIAL STATEMENTS

Note 01 Summary of significant accounting policies

General information
Headquartered in Bergen, Norway, Bergen Carbon Solutions (BCS) is a leading player in the field of carbon utilisation. Since our establishment in 2016 and subsequent IPO in 2021, we have been dedicated to pioneering sustainable solutions that make a real-world impact.

Basis of preparation and accounting principles
The financial statements is prepared in accordance with the rules in the Norwegian Accounting Act § 3-9 and Simplified IFRS adopted by the Norwegian Ministry of Finance on 7 February 2022. This mainly means that measurement and recognition follow international accounting standards as adobted by the EU (IFRS) and presentation and note information are in accordance with the Norwegian Accounting Act and generally accepted accounting practices principles in Norway.

Consolidation principles
The consolidated financial statements include Bergen Carbon Solutions AS (BCS) and its subsidiaries, which are entities in which BCS has control. Control is normally achieved through ownership, directly or indirectly, of more than 50 per cent of the voting power. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Investments in subsidiaries
Investments in subsidiaries is accounted for using the cost method in the separate financial statement for the parent company (company accounts).

Operating revenues
Revenue from the sale of products is recognised on the date of delivery. Rendering of services related to development and testing of products are recognised as revenue as they are delivered.

Classification and assessment of current and non-current items
Assets are classified as current when it is expected to be realised or sold, or to be used in the group's normal operating cycle or falls due or is expected to be realised within 12 months after the end of the reporting date. Assets that do not fall under this definition is classified as noncurrent. Liabilities are classified as current when they are expected to be settled in the normal operating cycle of the group or are expected to be settled within 12 months after the reporting date, or if the group does not have an unconditional right to postpone settlement for at least 12 months after the reporting date. Liabilities that do not fall under this definition are classified as non-current.

Fixed assets
Property, plant and equipment are capitalised and depreciated over the asset's expected economic life. Direct maintenance of fixed assets is expensed on an ongoing basis under operating costs, while costs or improvements are added to the fixed asset's cost price and depreciated in line with the fixed asset. If the recoverable amount of the fixed asset is lower than the book value, a write-down is made to the recoverable amount. Recoverable amount is the higher of net sales value and value in use. Value in use is the present value of the future cash flows that the asset will generate.

Inventory
Inventories are measured at the lowest of acquisition cost and net realisation value. Net realisation value is the estimated sales price on ordinary operation, less sales costs. Acquisition cost is allocated using the FIFO method and includes expenses incurred on the acquisition of the items and costs to bring the items to their current state and location.

Research and Development (R&D)
Direct development costs are capitalised to the extent that a future economic benefit related to the development of an identifiable intangible asset can be identified and the cost can be measured reliably. Otherwise, such costs are expensed on an ongoing basis. Capitalised development is depreciated on a straight-line basis over its economic life. Own development of intangible assets is presented on a separate line in the income statement. Received grants associated with the project is booked as a reduction of costs that is capitalised.

Grants
Government grants are recognised when there is reasonable assurance that the grant will be received and when the company is compliant with all conditions attached. When the grant relates to an expense item, it is recognised as reduction of cost over the period that the costs it is intended to compensate are expensed. When the grant relates to an asset, it is deducted from the carrying amount of the asset - the grant is then recognised in profit or loss over the useful life of a depreciable asset by way of a reduced depreciation charge.

Grants that can not be identified to any related expense or investments is recognised as other operating income.

Income tax
Tax expense consists of tax payable and change in deferred tax. Deferred tax / tax benefit is calculated on all differences between the accounting and tax value of assets and liabilities. Deferred tax is calculated at 22 per cent on the basis of the temporary differences that exist between accounting and tax values, as well as tax losses carried forward at the end of the financial year. Deferred tax asset is recognised for all deductible temporary differences and tax losses carried forward to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

Pensions
The company has a defined contribution plan and is a member of the AFP scheme. AFP is also treated as a defined contribution pension as a result of reliable measurement is not considered possible. The pension obligation is therefore not capitalised.

Currency
The company's functional currency is Norwegian kroner (NOK). Transactions in foreign currencies are recognised at the exchange rate at the time of the transaction. Monetary items in foreign currency are measured again at the reporting date at the current exchange rate. Changes are recognised in the income statement as financial items.

Cash flow statement
The company's cash flow statement is presented according to the indirect method. Cash and cash equivalents include bank deposits.

Use of estimates and judgements
In the preparation of the annual financial statements, the management has applied estimates and assumptions that have affected assets, liabilities, income and costs. Estimates and assumptions are based on historical experience and other factors that management considers reliable, but which by their very nature are associated with uncertainty and unpredictability. These assumptions may prove incomplete or incorrect, and unexpected events or circumstances may arise. The estimates and assumptions deemed most significant to the preparation of the consolidated financial statements are addressed below:

- Intangible and tangible assets, note 2 and 3
- IFRS 16 leases, note 4

Estimate may change as a consequence of future events. Changes in accounting estimates are recognised in the period in which the changes occur. If the changes also apply to future periods, the effect will be distributed on the current and future periods. Reference is made to the separate note for further details of estimates and assumptions included in this year's consolidated financial statements.

Impairment
Management reviews long-lived assets for impairment quarterly, or more frequently, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If an impairment test is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying value to determine if an adjustment for impairment to such asset is necessary. The effect of any impairment would be to expense the difference between the recoverable amount of such asset and it's carrying value. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Going concern
The company has adopted the going concern basis in preparing its financial statements.

Leases
Leasing agreements with a duration exceeding 12 months are capitalised. The group assesses whether a legally enforceable contract is or contains a lease at the inception date of the contract.

The group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The lease liability is calculated based on the present value of the contractual minimum lease payments using the implicit interest rate of the lease. The group uses the incremental borrowing rate in the case the implicit rate cannot be readily determined from the lease contract. The contractual minimum lease payments consist of fixed or variable payments, including those resulting from options in which management is reasonably certain it will exercise during the lease term. The lease liability is subsequently measured at amortised cost under the effective interest rate during the lease term and may also be adjusted to management's reassessment of future lease payments based on options exercised, renegotiations, or changes of an index rate.

The ROU asset is calculated based on the lease liability, plus initial direct costs towards the lease, and less any incentives granted by the lessor. The ROU asset is subsequently amortised under the straight-line method under the shorter of the lease term or the useful life of the underlying asset and is included as part of depreciation and amortisation in the accompanying statements of other comprehensive income.

Leases that fall under the IFRS 16 short-term and/or low value exception are recognised on a straight-line method over the lease term.

Note 02 Intangible assets

Straight-line depreciation is applied over the useful life of licenses and patents based on the asset's historical cost and estimated residual value at disposal. Depreciation is charged to expense when the licenses and patents is ready for use or placed in service.

Amounts in NOK thousand	Licenses and patents	**Total intangible assets**
Cost 1 January 2024	1 960	**1 960**
Additions external purchases	-	**-**
Cost 30 June 2024	1 960	**1 960**
Accumulated depreciation 1 January 2024	547	**547**
Write-down for the period	-	**-**
Depreciation for the period	153	**153**
Net book value 30 June 2024	1 260	**1 260**
Expected useful life	5 years	

Note 03 Tangible assets

Straight-line depreciation is applied over the useful life of property, plant, and equipment based on the asset's historical cost and estimated residual value at disposal. Depreciation is charged to expense when the property, plant or equipment is ready for use or placed in service. As such, assets under construction are not depreciated.

Assets under construction as of 30 June 2024 relates to the Høyanger facility. The assets are relevant work independently of location of facility.

Write-down for the period consists of purchased assets no longer utilised in the production and/or office.

Rigth of use asset is described in further details in Note 4.

Amounts in NOK thousand	Right of use asset	Under construction*	Plant and machinery*	Equipment and other movables	**Total**
Cost 1 January 2024	22 321	3 881	20 232	1 695	**48 129**
Additions external purchases			5 604	183	**5 787**
Departure	-	-	-	-	**-**
Grants*	-	-	-	-	**-**
Cost 30 June 2024	22 321	3 881	25 836	1 878	**53 916**
Accumulated depreciation 1 January 2024	6 864	-	5 470	1 082	**13 416**
Write-down for the period	-	627	1 443	12	**2 082**
Adjustments	(647)	-	-	-	**(647)**
Depreciation for the period	1 477	-	2 124	106	**3 707**
Net book value 30 June 2024	14 627	3 254	16 799	678	**35 358**
Expected useful life	8 years		5-10 years	3-10 years	

* *"Under Construction" and "Plant and Machinery" is classified as "Plant and Machinery" in the balanse sheet, total MNOK 20.053.*

Note 04 Capitalised lease-agreements

The company's assets under capitalised leases include buildings and other real estate. For the group entity this consist of the lease at Fleslandsveien 70.

Fleslandsveien 70 (Bergen Carbon Solutions AS):
The rental period is ending in 2029 + option for five years.

If the lease agreements have an option for extension, it is taken into account when determining the lease period if it is assumed reasonably certain that this will be used. The option for extension is not recognised in the table below.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the group uses a build-up approach that starts with a risk-free interest rate adjusted for estimated credit risk.

The group is exposed to potential future increases in variable lease payments based on an indexregulation, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period in order to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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Amounts in NOK thousand	Property – lease
Acqusition cost 1 January 2024	22 275
KP adjustments capitalised lease-agreements	670
Departure	-
Acquisition cost 30 June 2024	22 945
Accumulated depreciations 1 January 2024	6 841
Depreciations	1 477
Impairment losses	-
Accumulated depreciations 30 June 2024	8 318
Booked value 30 June 2024	14 627
Duration of the lease	8 years
Interest used	5.0%

Lease obligations under capitalised leases:
Overview of remaining estimated lease payments for capitalised leases:

Amounts in NOK thousand	Group
Within 1 year	3 584
1 to 5 years	14 037
After 5 years	-
Remaining estimated rent payments	17 621

Lease obligation in the balance sheet

Amounts in NOK thousand	Group
Whereas:	
- Short term debt	2 974
- Long term debt	12 788
Total lease obligation	15 762

Note 05 Earnings per share (EPS)

Amounts in NOK thousand	**Q2 2024**	Q2 2023	**H1 2024**	H1 2023	2022
Loss attributable to the shareholders of the parent	**(17 805)**	(18 364)	**(37 793)**	(37 022)	(64 591)
Loss for calculation of diluted earnings per share	**(17 805)**	(18 364)	**(37 793)**	(37 022)	(64 591)
Weighted average number of shares outstanding	**41 970 140**	41 970 140	**41 970 140**	41 970 140	41 970 140
Dilutive options					
Average number of shares and options used in calculation for diluted EPS	**41 970 140**	41 970 140	**41 970 140**	41 970 140	41 970 140
Basic earnings per share (NOK)	**(0.42)**	(0.44)	**(0.90)**	(0.88)	(1.54)
Diluted earnings per share (NOK)	**(0.42)**	(0.44)	**(0.90)**	(0.88)	(1.54)

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Basic earnings per share calculations are based on the weighted average number of common shares outstanding during the period.

Diluted earnings per share calculations are performed using the weighted average number of common shares and dilutive common shares equivalents outstanding during each period. Options are dilutive when they result in the issue of ordinary shares for less than the average market price of ordinary shares during the period. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price in the period is treated as an issue of ordinary shares for no consideration.

Weigthed average number of shares are calculated as follows:

2022: The company issued 4 629 629 new shares in a capital raise in February 2022. As such, the weighted average number of shares outstanding in 2022 has been calculated by applying a weight of 2/12 of the number of shares before the capital raise in February (37 340 511), 10/12 of the number of shares after the capital raise (41 970 140).

Note 06 Equity

Amounts in NOK thousand	Share capital	Share premium	Other Equity	Non-controlling interests	**Total equity**
Balance at 1 January 2023	126	308 456	78	70	**308 730**
Share based programme - Options	-	3 477	-	-	**3 477**
Profit/loss for the period	-	(65 124)	405	(194)	**(64 913)**
Capital increase*	-	-	-	-	**-**
Correction of Tax payable previous years	-	-	-	-	**-**
Equity effect from sale of shares	-	-	-	-	**-**
Balance at 31 December 2023	126	246 809	483	(124)	**247 294**
Balance at 1 January 2024	126	246 809	483	(124)	**247 294**
Share based programme - options and other adjustments	-	1 896	(31)	-	**1 865**
Profit/loss for the period	-	(37 649)	(144)	(51)	**(37 844)**
Balance at 30 June 2024	126	211 056	308	(175)	**211 315**

* *Expenses directly related to the share issue is booked directly against Share premium.*

The general meeting has granted the board authority to increase the company´s share capital by up to NOK 31 477.61. This is equivalent to 25 per cent of the company's share capital. The share capital increase may be effected through one or more directed share issues. The authorisation entails that the company`s board of directors is granted authority to set the date, and to stipulate the subscription price for the new subscription. Up to NOK 8 813.73, being seven per cent of the share capital, of this new authorisation may be used in connection with option agreements and other incentive programs. This authorisation also covers granted option agreements pursuant to former authorisation.

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