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**Q4** Report for  
the fourth  
quarter 2024

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### Letter from the CEO

# BUILDING ON MOMENTUM AND REDUCING BURN RATE



As we close the fourth quarter of 2024, I am proud to reflect on the progress we've made at Bergen Carbon Solutions (BCS). This year has been a transformative one, marked by our continued shift into a pure-play technology development company. We have during 2024 taken a step-change in terms of further developing a world-class CCU solution for the battery industry, supported by significant organisational adjustments to progress our long-term goals.

### TECHNOLOGY DEVELOPMENT

Throughout Q4, our focus remained on systemising and advancing our technology and refining our electrolysis processes. One of the most notable achievements was the commissioning of our new intermediate-sized electrolysis cell. This will allow us to validate lab results at a pilot scale, bringing us closer to a consistent and well-defined process for carbon powder production for battery applications as this is paramount in order to succeed.

Additionally, our in-house battery lab has been instrumental in accelerating market feedback loops, enabling us to test more than a hundred coin cells with our powder across multiple battery chemistries. This faster and more flexible testing process is crucial as we develop materials that align with market demands. Recent tests with Lithium-Sulfur (Li-S) batteries have shown promising results, with our CNT materials potentially outperforming conventional fossil-based alternatives.

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#### PARTNERSHIPS AND MARKET ENGAGEMENT

BCS has continued to build and strengthen strategic partnerships. During 2024, we have signed intentional technology agreements with Morrow and Beyonder, extended our MOU with TKG Huchems, maintained close collaboration with Broadbit, and made progress in our joint research project with Horizontal Na Energy Technology. These partnerships are important for advancing our technology and increasing market reach.

We have also been active in engaging with global stakeholders both in Asia as well in Europe, presenting at a range of key industry events. These events provide valuable opportunities to showcase our capabilities and connect with potential partners.

Despite the current headwind of European battery assembly industry, BCS is well positioned within the value chain to offer critical raw material of a sustainable and locally based nature. Recent off take contracts announced in the market for local, sustainable anode graphite is a true inspiration and a good indication that sustainable and locally produced battery material is valuable for a number of stakeholders. This confirms how we are regarding the market.

#### ORGANISATIONAL OPTIMISATION

During 2024, we reshaped our organisation to align with our technology-first strategy. This has included reducing headcount by 35 per cent while simultaneously increasing the collective competence level within BCS. These changes have not only reduced our burn rate but also enhanced our ability to drive technological innovation. Our cost burn-rate is reduced with 23 per cent and has never been lower – and our accumulative competence has never been higher.

#### FINANCIAL PERFORMANCE

A key achievement in Q4 has been our disciplined financial management. Through strong cost controls and reduced operational spending, we have significantly lowered our burn rate. We also secured NOK 14 million in funding through Skattefunn, which will support our development efforts over the next three years. Together with additional funding from Innovation Norway, this ensures we are well-positioned to pursue our technology and market expansion plans.

#### LOOKING AHEAD

As we move into 2025, I am increasingly confident in BCS' ability to succeed. With a clear strategy, an optimised organisation, and promising results from our technology development, we are well-prepared to continue our journey. Our focus will remain on refining our core technology processes, securing new partnerships, and advancing our position in the global battery value chain.

Thank you to our dedicated team, supportive board, and valued partners for making 2024 a year of transformation and progress. I look forward to continuing this journey together as we drive BCS forward into 2025.

A handwritten signature in blue ink, appearing to read 'Odd Strømsnes'.

**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 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.

Our core technology aims to leverage the power of electrolysis to transform CO<sub>2</sub> 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<sub>2</sub> 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](https://bergencarbonsolutions.com)



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# HIGHLIGHTS AND KEY FIGURES

## HIGHLIGHTS FOR THE FOURTH QUARTER

### Progress on technology development towards delivering a well defined, consistent powder

- Implementation of new small and medium scale electrolysis cell for increasing inhouse development speed.
- Progressed on the advanced electrolyte recycling (>95 per cent) and purification processes.
- Battery Lab constructed in-house and 3-digit coin cell batteries produced during the year.

### Strengthening financial position

- Reduced burn rate with 23 per cent through cost reductions and organisational reshaping, achieving higher efficiency with fewer employees.
- Secured NOK 14 million in Skattefunn funding over three years and additional support from Innovation Norway.

## KEY FIGURES

Amounts in NOK thousand	Q4 2024	Q4 2023	FY 2024	FY 2023
Total revenue and other income	-	-	116	296
Total operating expenses	11 463	17 744	72 726	74 925
Operating profit (loss)	(11 463)	(17 744)	(72 610)	(74 629)
Net profit (loss) for the period	(9 912)	(8 267)	(64 150)	(64 914)
Net change in cash and cash equivalents	(3 828)	(6 016)	(63 336)	(59 945)
Cash and cash equivalents, end of period	169 708	233 044	169 708	233 044
Outstanding shares, end of period	41 970 140	41 970 140	41 970 140	41 970 140
Cash and cash equivalents/total asset	82%	85%	82%	85%
Equity ratio	90%	90%	90%	90%
Equity	184 327	247 294	184 327	247 294
Total assets	205 865	274 476	205 865	274 476

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# BOARD OF DIRECTORS' REPORT

## NATURE OF THE ENTERPRISE

Bergen Carbon Solutions AS (BCS), located in Bergen, Norway, is developing a cutting edge CCU (Carbon Capture and Utilisation) technology that enables converting CO<sub>2</sub> 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 replacing fossil-based carbon imported from China with locally produced sustainable battery carbon components within Europe, will have an increasingly importance going forward. The BCS value proposition is meeting all these requirements.

## FINANCIAL REVIEW

As part of the company's defined strategy to become a technology development company, 2024 has been focused on reshaping the organisation to support the transition from a production company to a pure-play materials technology company. This restructuring has resulted in a headcount reduction since December 2023, of 26 per cent. The financial benefits of this adjustment were reflected in the Q4 results, with a significantly reduced burn rate. At the same time, the company has substantially strengthened its expertise in core electrolysis technology.

The company will have 22 employees by February 2025. This represents a total headcount reduction, equivalent to a 35 per cent decrease.

Despite these significant reductions in staffing, technological advancements have accelerated. This progress is largely driven by BCS's ability to attract top talent, build strong in-house expertise, strategically hire key personnel, and leverage the contributions of long-term external consultants with extensive academic and industrial experience. As a result, the company has never been more competent.

During the fourth quarter, BCS completed commissioning of the new electrolysis cell that will be used for pilot testing development. This is an intermediate sized 4-liter scale cell to verify and confirm lab testing before implementing the process to increased volume testing.

The board believes that BCS now has the right equipment and competence to take the company to the next level.

BCS is indeed developing a novel technology and process with limited global description and experience. The development requires deep knowledge in the fundamental processes prior to initiating iterative testing and subsequently proof of concept. It takes time to develop the technology and maturing the process, but the current progress and results are positive, and the

company is getting closer to obtaining a consistent and well-defined carbon powder.

The in-house battery lab has tested over 100 coin cells with BCS product. The lab has significantly reduced the feedback loop by testing in different battery applications. This enables BCS to quickly adjust, as well as giving much more flexibility to try out different battery chemistries. Previously the products needed to be sent across the world for testing and made BCS dependent of third parties.

In early January 2025, the company presented promising results from testing BCS product in next-generation Lithium-Sulphur batteries. Initial tests indicates higher capacity retention than batteries with conventional fossil-based CNTs.

BCS continues to have several meetings with companies interested in exploring the potential of the technology and CCU capabilities. These meetings give valuable insight into market demands as well as connection to potential future customers and collaboration partnerships.

The company has during the fourth quarter, also been able to present itself in different arenas like Pareto Annual Renewable Conference, Fearnley's Annual Renewable and Clean-tech Conference, a Norwegian/German battery industry conference, Future Battery Forum in Berlin, Korea-Norway CCUS day. In October BCS had a visit on site from the Norwegian Parliament Standing Committee on Business and Committees. BCS was the only company the Committee visited in Bergen municipality.

In the fourth quarter, BCS was accepted as a member of the ECGA, European Advanced Carbon and Graphite Materials Association. The ECGA represents the full spectrum of EU-based production, including natural graphite, graphite electrodes and battery anode materials. Membership in this association strengthens the company's position and opens new opportunities for potential partnerships within the EU.



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The joint research project, that started early in 2023, with Horizontal Na Energy Technology is progressing well and has advanced to the next stage for receiving funds from Innovation Norway. The funding from Innovation Norway will be applied for and received early in 2025, expected amount is included in the fourth quarter, with NOK 2.2 million as cost reduction. Additionally, through Skattefunn for the same project, the company received NOK 0.8 million in October 2024. In addition, the company have, in the fourth quarter 2024, allocated expected received funding from Skattefunn in October 2025 related to 2024 cost, NOK 1.2 million.

BCS maintains collaboration with two main universities in Norway;

- Through an agreement with the University of Bergen, the company gains access to state-of the-art characterisation equipment, which is used frequently.
- Through the first half of 2024 BCS has had a collaboration with Norwegian University of Science and Technology (NTNU) enabling some of the employees to utilise advanced analysis equipment.

These valuable collaborations are set to continue into 2025.

In December BCS received approval from The Research Council of Norway (Skattefunn) for funding totalling NOK 14.3 million for the period 2024-2026. This funding will support the company's project to improve the characteristics of carbon powders.

Strong cost-control has continued to be a focus area in 2024. Cash burns have improved during 2024 with a cash burn reduction of 36 per cent in the fourth quarter, compared to Q1. This is mainly due to the decrease of employees, use of lab cell instead of larger crucibles gives less production cost, less investments in equipment.

BCS is well financed to continue technological development and move forward with the market expansion plans for the short and medium term.

## FINANCIAL STATEMENTS

The fourth quarter, 2024 has a net loss of NOK 9.9 million compared to net loss of NOK 8.3 million in the fourth quarter 2023.

Adjusted net loss for the quarter was NOK 6.5 million due to NOK 3.4 million in one-offs, where 3.3 million is non-cash cost.

As a consequence of the development in technology development, the company has written down assets amounting to NOK 4.9 million in the fourth quarter.

The financial result is better than forecasted and is a direct result of strict cost-control along with focus on the company's core business. On top of this comes approved funding that reduces the cost, NOK 7.3 million for 2024.

Cash and cash equivalents at the end of the period were NOK 169.7 million, compared to NOK 233.0 million in the fourth quarter 2023. Cash-burn in the fourth quarter is NOK 3.8 million, after receiving NOK 9.3 million in interest income for 2024.

There were no investments in the fourth quarter.

Per end of the fourth quarter 2024, total assets amounted to NOK 205.8 million, compared to NOK 274.5 million at the same time last year. Total equity was NOK 184.3 million vs. NOK 247.3 million in the fourth quarter 2023.

## OUTLOOK STATEMENT

With a strengthened team of highly skilled employees, mentored by deep technical expertise and extensive industrial experience, the board has increased confidence in the company's ability to unlock the further potential of its technology and continue on its strategic vision. The recent appointment of a new technology manager, who joined in January 2025, further enhances the company's in-house expertise, bringing extensive experience in electrolysis, material science, and process development.

BCS remains committed to qualifying its electrolysis process and producing carbon products that meet battery market specifications. The battery market, with its diverse chemistries,

represents an attractive sector with good growth potential.

Despite current challenges in the European battery industry, the global battery market is expected to grow at an annual rate of up to 30 per cent over the coming years. Various battery designs and chemistries will drive this expansion, and the board believes that BCS's technology can become well-suited for several of these applications.

During 2024 BCS announced multiple strategic partnerships. In 2025, the company will focus on strengthening these collaborations while engaging with new potential customers.

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There is good interest in both the product and the overall technology.

BCS will also continue its ongoing dialogue and cooperation with key partners, including Huchems, Horizontal Na Energy Technology and others, ensuring steady progress in these projects.

When becoming part of FME, BCS is included in a larger group that can provide easier access to information, equipment and partnerships with Norwegian industry and professional environment.

The fourth quarter 2024 has shown a significant reduction in cash burn, and the company expect to keep this cash burn steady during 2025, giving a 23 per cent reduction compared to cash burn for 2024.

The company is well financed to continue the technology development and preparing the company for future markets. With the reduced cash burn together with the fundings, BCS has a prolonged its runway.

## Bergen, 13 February 2025

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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# FINANCIAL STATEMENTS

## STATEMENT OF PROFIT OR LOSS

<i>Amounts in NOK thousand</i>	<b>Q4 2024</b>	Q4 2023	<b>FY 2024</b>	FY 2023
Revenue	-	-	-	-
Other operating income	-	-	<b>116</b>	296
<b>Total operating income</b>	-	-	<b>116</b>	296
Raw materials and consumables used	<b>40</b>	1 523	<b>1 917</b>	3 687
Own work capitalised	-	-	-	-
Personnel expenses	<b>506</b>	10 493	<b>28 945</b>	35 946
Depreciation tangible and intangible assets	<b>1 954</b>	1 500	<b>8 147</b>	6 369
Impairment loss	<b>4 852</b>	(101)	<b>9 270</b>	526
Other operating expenses	<b>4 111</b>	4 329	<b>24 447</b>	28 397
<b>Operating profit/(loss)</b>	<b>(11 463)</b>	(17 744)	<b>(72 610)</b>	(74 629)
Other financial income	<b>1 776</b>	10 619	<b>9 341</b>	10 689
Other financial expenses	<b>225</b>	1 142	<b>881</b>	974
<b>Profit/(loss) before tax</b>	<b>(9 912)</b>	(8 267)	<b>(64 150)</b>	(64 914)
Income tax expense	-	-	-	-
<b>Net Profit/(loss) for the period</b>	<b>(9 912)</b>	(8 267)	<b>(64 150)</b>	(64 914)



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STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	31.12.2024	31.12.2023
<strong>ASSETS</strong>		
Licenses and patents	1 108	1 412
<strong>Total intangible assets</strong>	<strong>1 108</strong>	1 412
<strong>Non-current assets</strong>		
Right of use asset	13 140	15 434
Plant and machinery	11 166	18 643
Equipment and other movables	588	613
<strong>Total tangible assets</strong>	<strong>24 894</strong>	34 690
<strong>Total non-current assets</strong>	<strong>26 002</strong>	36 102
<strong>Current assets</strong>		
Inventory	636	2 285
Other current receivables	9 520	3 045
Cash and cash equivalents	169 708	233 044
<strong>Total current assets</strong>	<strong>179 864</strong>	238 374
<strong>Total assets</strong>	<strong>205 865</strong>	274 476
<strong>EQUITY AND LIABILITIES</strong>		
Share capital	126	126
Share premium	184 201	247 168
<strong>Total equity</strong>	<strong>184 327</strong>	247 294
<strong>Non-current liabilities</strong>		
Lease liability	11 292	13 694
<strong>Total non-current liabilities</strong>	<strong>11 292</strong>	13 694
<strong>Current liabilities</strong>		
Accounts payable	1 458	3 139
Public duties payable	2 012	2 512
Other current liabilities	3 743	5 036
Lease liability short term	3 034	2 801
<strong>Total current liabilities</strong>	<strong>10 247</strong>	13 488
<strong>Total liabilities</strong>	<strong>21 539</strong>	27 182
<strong>Total equity and liabilities</strong>	<strong>205 865</strong>	274 476

Bergen, 13 February 2025

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## STATEMENT OF CASH FLOWS

Amounts in NOK thousand	FY 2024	FY 2023
<b>Cash flow from operating activities</b>		
Profit (loss) for the period	(64 150)	(64 914)
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	17 140	6 895
Loss/gain on the sale of fixed assets	-	26
Net interest income and interest expenses	(9 210)	(9 715)
Share based payment expenses	1 180	3 477
<b>Changes in working capital;</b>		
Change in inventory	1 650	(1 312)
Change in trade receivables	-	511
Change in trade payable	(1 681)	206
Change in other accrual items	(8 309)	859
<b>Cash generated from operating activities</b>	<b>(63 382)</b>	<b>(63 967)</b>
Interest recieved	9 954	10 568
Income taxes paid	-	(23)
<b>Net cash flow from operating activities</b>	<b>(53 427)</b>	<b>(53 422)</b>
<b>Cash flow from investing activities</b>		
Sale of fixed assets	-	200
Capital expenditures tangible assets	(7 071)	(3 717)
Capital expenditures intangible assets	-	(1 523)
Proceeds from investment grants	74	2 172
Capital contribution and/or incorporation of subsidiaries	-	-
<b>Net cash used in investing activities</b>	<b>(6 997)</b>	<b>(2 868)</b>
<b>Cash flow from financing activities</b>		
Capital increase	-	-
Repayment of lease liabilities	(2 167)	(2 802)
Payment of lease interest	(744)	(853)
<b>Net cash flow from financing activitites</b>	<b>(2 912)</b>	<b>(3 655)</b>
Net change in cash and cash equivalents	(63 336)	(59 945)
Cash and cash equivalents at the beginning of the period	233 044	292 989
<b>Cash and cash equivalents at the end of the period</b>	<b>169 708</b>	<b>233 044</b>

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