

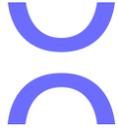
CARBON
TRANSITION

Carbon Transition

Q2 2022

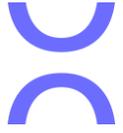
25 August 2022





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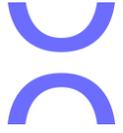
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Quarterly highlights

- One multi-client late sales of USD 1.8 million
- Fair value of multi-client assets of USD 33.2 million
- Fair value of investments of USD 12.5 million relative to USD 9.9 million initial investment
 - Non-cash write-down of USD 4.5 million in the period
 - Stronger US dollar accounting for USD 1.4 million of reduction
 - Excluding foreign exchange effects, the full write-down is related to the change in the stock market price of CO2 Capsol from NOK 16.59 per share at 31 March 2022 to NOK 9.18 per share at 30 June 2022
- Cash earnings of USD 1.2 million as a result of USD 1.8 million in revenues and USD 0.5 million in operating costs in the quarter





Quarterly highlights (con't)

- No financial indebtedness
- Bank deposits of USD 2.7 million. Bank deposits including trade receivables from multi-client sales in the quarter were USD 4.9 million. These receivables have been collected in Q3 2022
- Bank deposits plus trade receivables and marketable securities (defined as investments listed on a stock exchange) were USD 8.3 million
- Cost cutting effort largely completed
- Net asset value of NOK 1.94 per share
- Carbon Transition now has a robust financial position which enables it to make additional investments or to consider share repurchases and/or dividends if we believe this is more attractive for our shareholders





High-value legacy business

Maximizing value of seismic operations

Multi-client library

- Q2 2022 book value of USD 33.2 million
- Late sales to generate significant revenues and cash flow
- Book value of Utsira survey in Norway
 - Total CARBN survey cost of USD 82.3 million
 - Write-down of USD 35.1 million and USD 18.0 million in 2019/2020, respectively
 - Impairment reversal of USD 5.6 million Q1 2022
- No additional cash costs required
- Joint ownership TGS and Schlumberger

Ocean bottom node operations

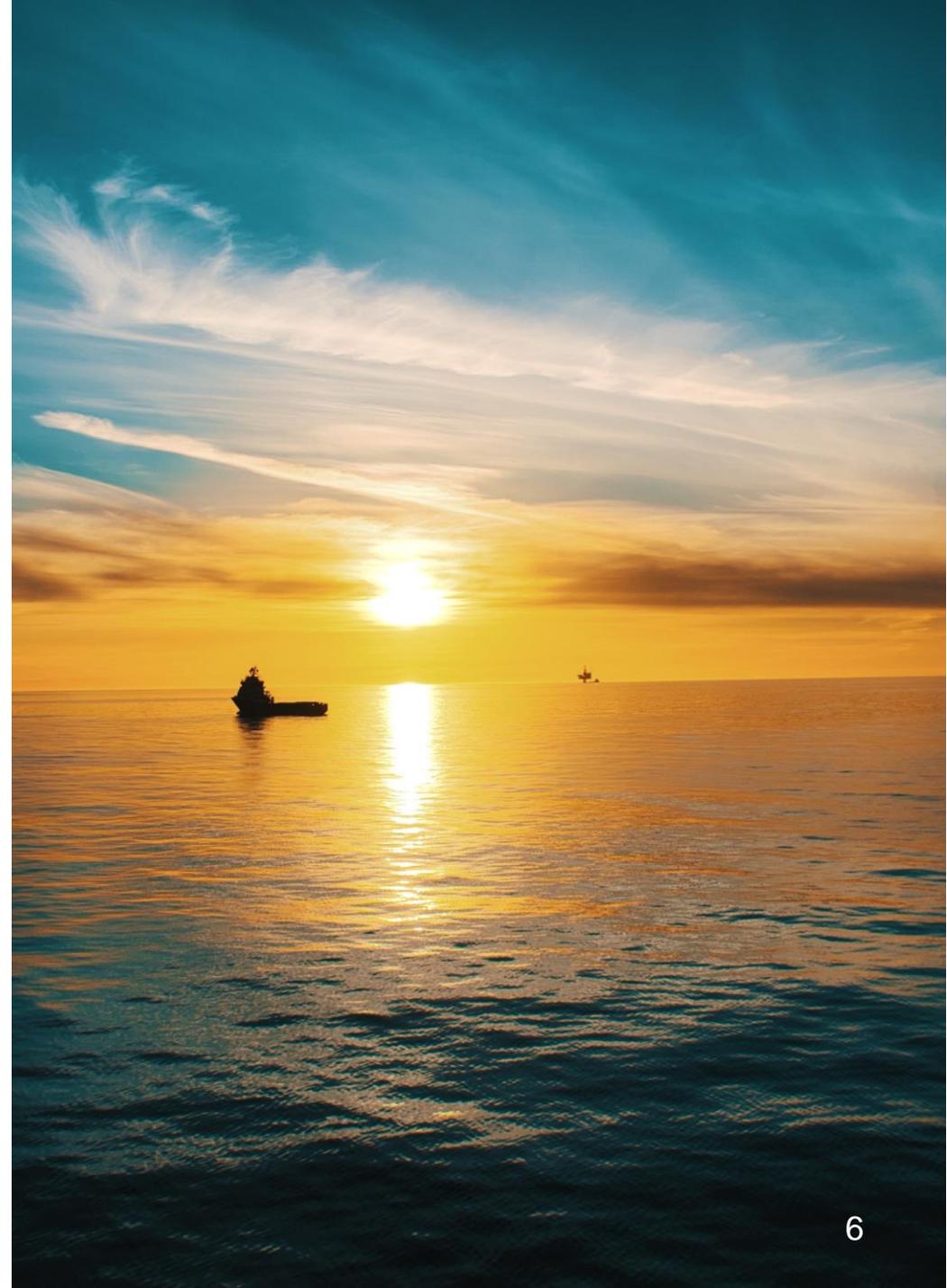
- Ocean bottom node operations sold to Magseis Fairfield in March 2022
- Industry-leading node deployment speed; system optimal for shallow water surveys
- Node-agnostic technology provides flexibility
- Earnout structure with cap of USD 12.0 million over next three years
 - Year-three floor payment of USD 1.5 million, subject to certain milestones
 - Booked financial asset of USD 3.0 million
- Upfront payment of USD 0.5 million in March 2022

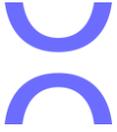


Seismic market observations

Significant improvement in market conditions

- High oil and gas prices are likely to contribute to increased seismic multi-client data demand
- Historical underinvestment in oil and gas production should result in catch-up spending
- Higher E&P company cash flow supporting recent capital expenditure increase
- Increased M&A activity among E&P companies in the North Sea is positive for the Utsira survey
 - New entrants
 - Change in license operator / partners
- Oil and gas demand growth outpace supply and energy security is becoming a global concern
- Potential increase in seismic survey activity may benefit earnout agreement with Magseis Fairfield

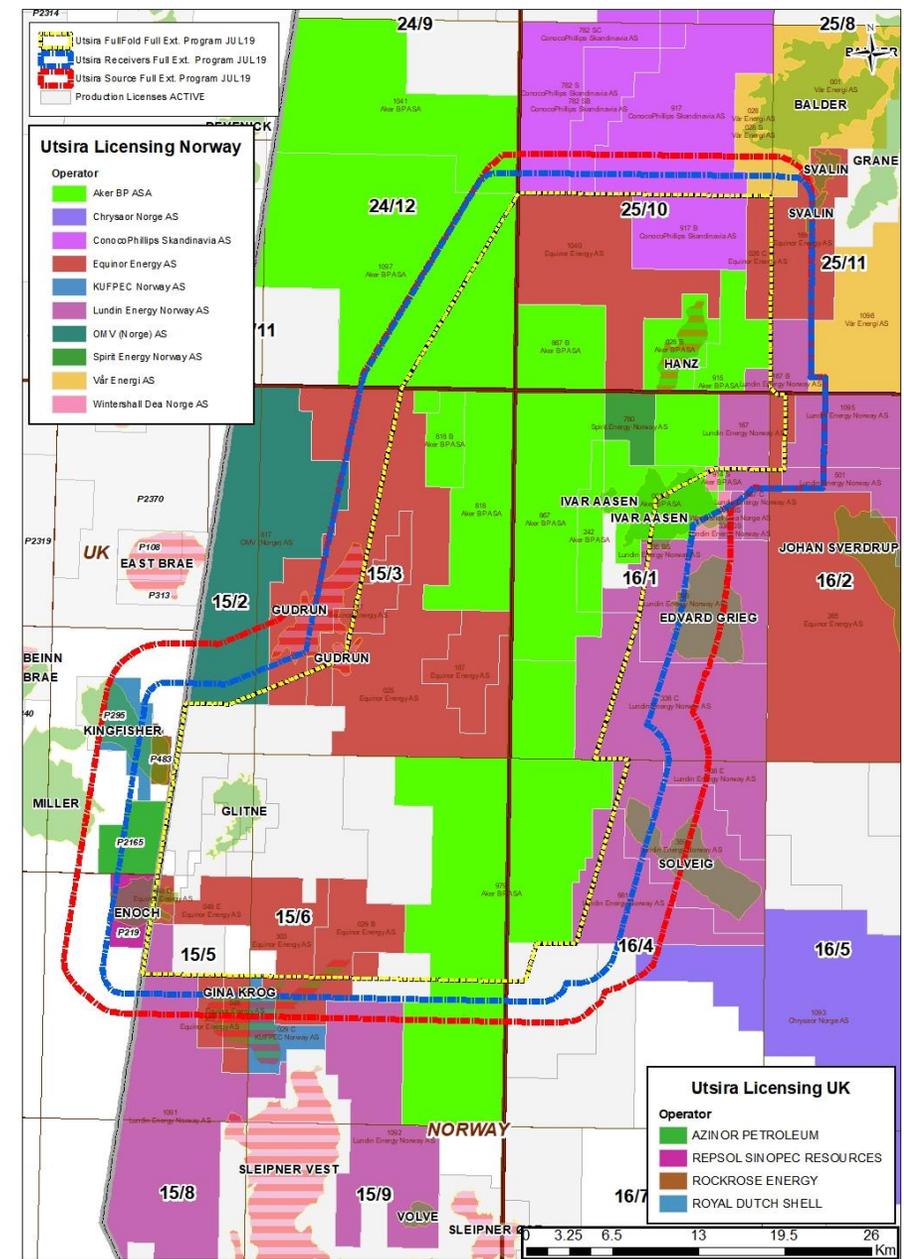




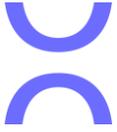
Multi-client portfolio

Norwegian North Sea - Utsira

- Estimated fair value of USD 22.7 million
- Near-field survey located to the west of the Utsira high in the Norwegian North Sea; backed by AkerBP, Equinor and TGS
- Covers approximately 2,000 square kilometers of highly prospective acreage with high-definition 3D seismic ocean bottom node data
- The Utsira area holds several important fields, including Edvard Grieg, Ivar Aasen, Balder, Gina Krog, Gudrun and Johan Sverdrup, along with a number of undeveloped discoveries and prospects
- The data has extremely high sampling density which helps clients obtain new information and make new discoveries and development of oil and gas deposits previously unavailable with legacy broadband streamer data
- Improved sales leads for the second half of the year



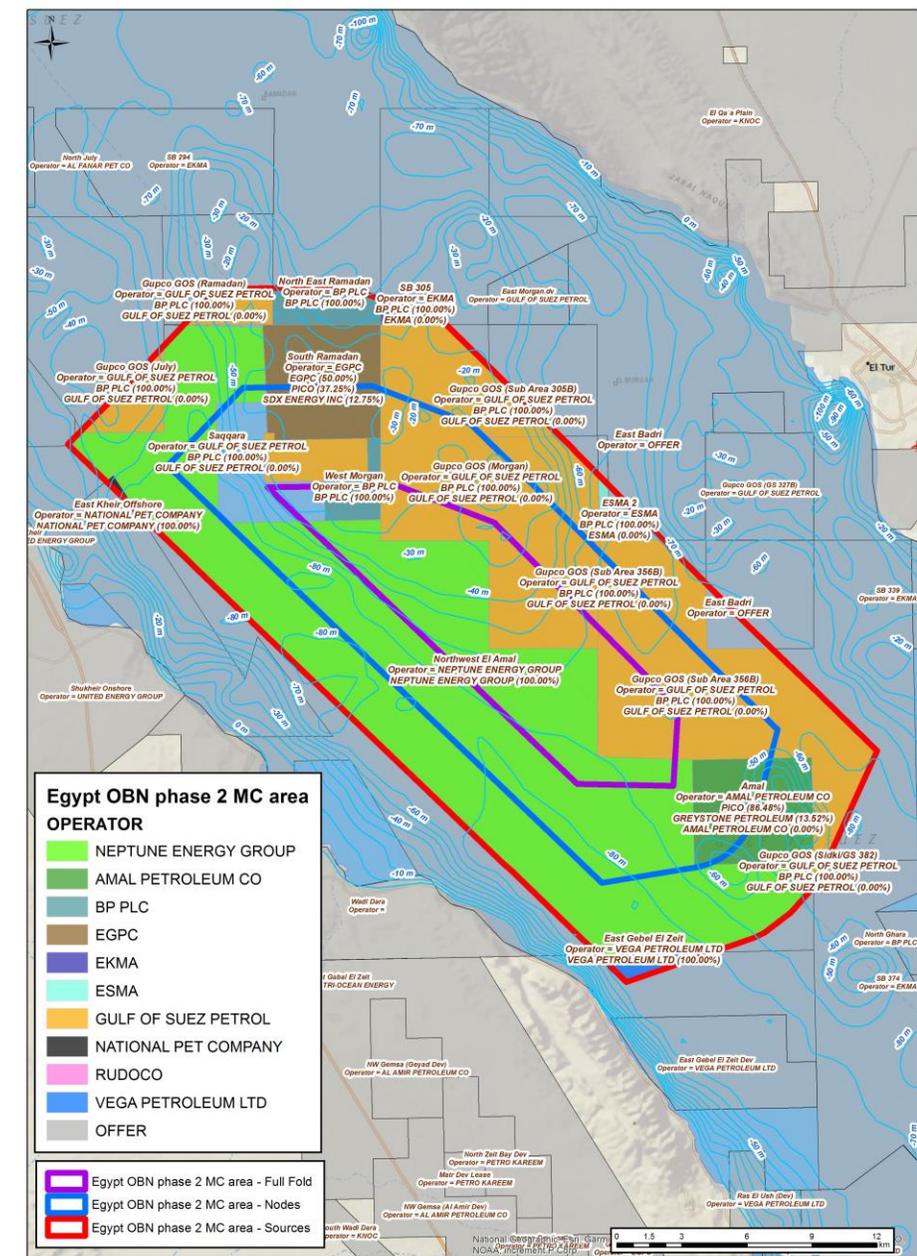
UTSIRA 3D - LICENSING OCT20
ED50 UTM31N



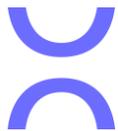
Multi-client portfolio

Egypt – Gulf of Suez

- Estimated fair value of USD 10.6 million
- Marketing of data now following completion of processing
 - Do not expect data sales until 2023
- Prolific petroleum basin; exploration historically impeded by complex geology and presence of salt bodies
- Data acquired 2020 with support from Neptune Energy and Schlumberger (WesternGeco) and covers an area of approximately 300 square kilometers
 - Hybrid survey configuration, combining high density ocean bottom nodes with short 3D streamers for near-surface imaging
- Near the Ramadan oil fields; several drilling campaigns planned during the coming years
- Recent highlight from Gulf of Suez area:
 - 200 MBOE discovery in the Abu Rudeis Sidri development lease by ENI in 2019
 - 100 MBOE discovery in North Ramadan area operated by Dragon Oil in 2022



Egypt OBN Phase 2 MC Area



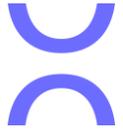
Investment portfolio

Summary valuation

	Investment Amount	Q1 22	Q2 22	Change
CO2 Capsol	4.69	6.93	3.38	(3.55)
Power by Britishvolt	1.75	6.24	5.77	(0.47)
Arbaflame	3.43	3.83	3.37	(0.46)
Total	9.86	16.99	12.51	(4.48)

Observations

- Increased price pressure in light of growing market uncertainty
- Non-cash portfolio write-down of USD 4.5 million
 - Stronger US dollar resulted in USD 1.4 million of this valuation adjustment
- CO2 Capsol share price declined from NOK 16.59 at end Q1 22 to NOK 9.18 at end Q2 22
 - Subsequent to quarter end, CO2 Capsol trading in range of NOK 11 – 12 per share
 - High EU ETS pricing and US Inflation Reduction Act supporting carbon capture and storage sector
- No valuation changes to Britishvolt or Arbaflame (in local currencies) at end of quarter
 - Stronger US dollar resulted in approximately USD 0.5 million write-down for each of these investments



Net asset value

Summary NAV per share review

	USD millions	NOK per share
Multi-client library	33.2	1.37
Financial assets	3.0	0.12
Legacy business	36.3	1.50
Investments	12.5	0.52
Net current liabilities	(1.7)	(0.07)
Net asset value	47.1	1.94

Observations

- Legacy business represents close to 75% of net asset value
 - Multi-client library alone accounts for almost 70%
- Investment portfolio represents slightly more than 25% of net asset value



Comprehensive income

USD millions

<u>Comprehensive income</u>	<u>Q2 2022</u>
Revenue	1.8
Changes in fair value of investments	(4.5)
Cost of sale	0.1
Selling, general & administrative expenses	(0.5)
Amortization of multi-client	(0.7)
Operating profit (loss)	(3.8)
Net financial expense	(0.3)
Income tax (expense)	0.1
Profit (loss) for the period	(4.0)

Observations

- Utsira multi-client late sales of USD 1.8 million
- Non-cash reduction in value of investments of USD 4.5 million
- Cost of sales related to divested node business
 - Mainly reversal of rental of node equipment of USD 86 thousand
- Changed amortization Utsira from 4 to 10 years (8.5 years from Jan 2022); Gulf of Suez amortization not yet commenced
- Tax income of USD 0.1 million from Egypt and UK
- Cash earnings of USD 1.2 million



Financial position

USD millions

ASSETS 30.6.2022

Multi-client library	33.2
Investments	12.5
Financial assets	3.0
Trade receivable	2.2
Other current assets	0.1
Cash and cash equivalents	2.7
Total assets	53.8

EQUITY AND LIABILITIES 30.6.2022

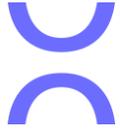
Equity	47.1
Taxes payables	2.3
Accounts payable	0.1
Other current liabilities	4.3
Total equity and liabilities	53.8

Observations

- Utsira at USD 22.7 million, Gulf of Suez at USD 10.6 million
- NPV node equipment earnout - financial assets of USD 3.0 million
- Trade receivable from multi-client late sales includes VAT
- Taxes payable represents corporate taxes Egypt
- Other current liabilities
 - Egypt taxes of USD 3.8 million
 - Accruals of USD 0.4 million
- Tax loss carryforward estimated at USD 60 million

Ratio analysis

- Equity ratio 87.5%
- Net asset value per share of NOK 1.94
- Bank + trade receivables + marketable securities (CO2 Capsol) of USD 8.3 million



Cash flow

USD millions

Cash flow	Q2 2022
Profit (loss) before tax	(4.1)
Taxes paid	(0.1)
Changes in fair value for investments	4.5
Amortization of multi-client	0.7
Interest expense	0.1
Other working capital changes	(1.7)
Cash flow from operating activities	(0.6)
Cash flow from investing activities	--
Cash flow from financial activities	(0.0)
Net change in cash	(0.7)

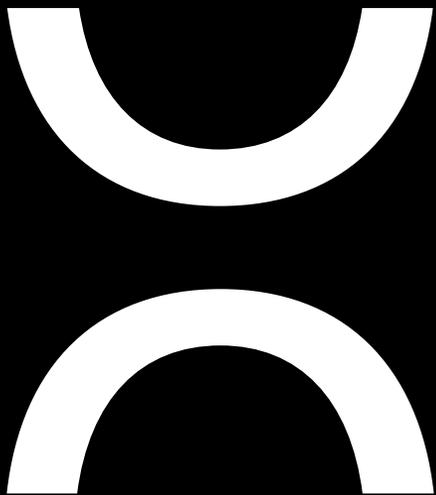
Observations

- Trade receivables of USD 2.2 million (including VAT) collected in Q3
- Paid taxes and interest of USD 62 thousand



Outlook

- Conflict in Ukraine and focus on energy security expected to keep upward pressure on energy prices
- Increased capital spending by oil companies should positively impact multi-client late sales and overall seismic survey activity
 - Oil companies slow to implement new production plans; prudent to expect a lag effect
- Market volatility to remain high and possibility of financial recessions increase uncertainty
 - Does pose an increased risk to growth companies
- Energy transition remains central theme; expect to continue to see new investment opportunities within segment
 - Given market outlook, we are likely to take a cautious approach to new investments
- Company now debt free; robust financial position allows for new investments if attractive opportunities arise
- Future multi-client late sales to increase cash balances and investable capital
- Will be considering share repurchases and/or dividends if more attractive for our shareholders
- Newly elected board to commence review of strategy



Investing in a
sustainable future.

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