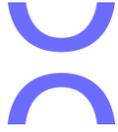


# Carbon Transition ASA

## Second Quarter 2021

Ronny Bøhn, CEO and Nils Haugestad, CFO



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- 1 Quarterly highlights
- 2 Business overview
- 3 Financial review
- 4 Summary





# Quarterly highlights and subsequent events

## EVENTS DURING THE QUARTER

- Approval of reconstruction proposal and issuance of USD 17.4 million equity private placement
- Sale of vessel “Neptune Naiad” and associated equipment
- Mobilization of North Sea project
- New board of directors elected

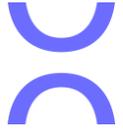
## SUBSEQUENT EVENTS

- Announcement of new strategic direction
- Change of Company name to **Carbon Transition ASA** and ticker symbol to **CARBN**
- First investment made under new strategy NOK 30m convertible note in Arbaflame AS
- NOK 20 million repair offering substantially oversubscribed
- North Sea project successfully completed – on time and on budget



- 1 Quarterly highlights
- 2 Business overview
- 3 Financial review
- 4 Summary

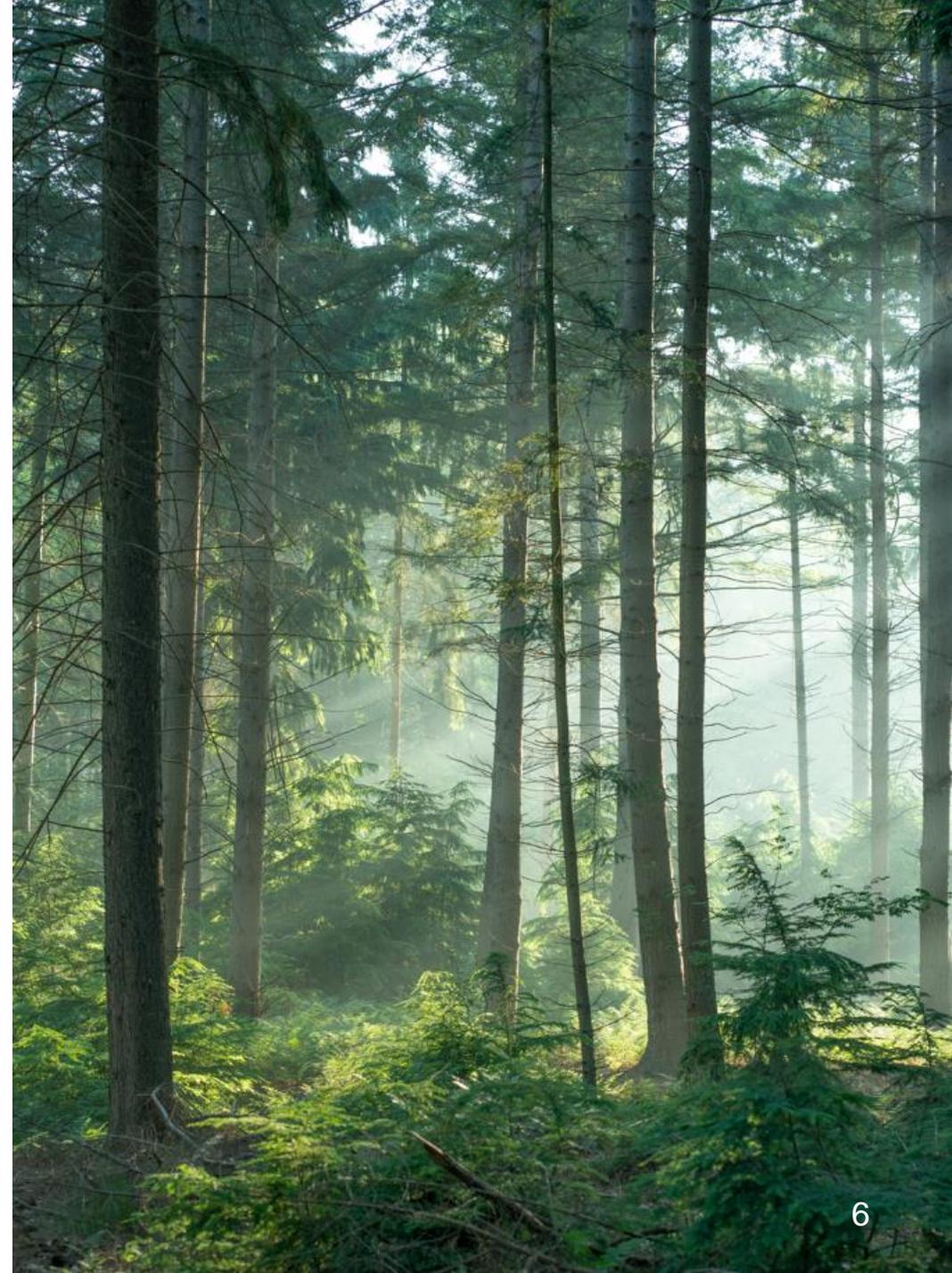


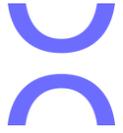


# Strategy

Focus on investing in technologies & companies which contribute to significant reduction of carbon emissions

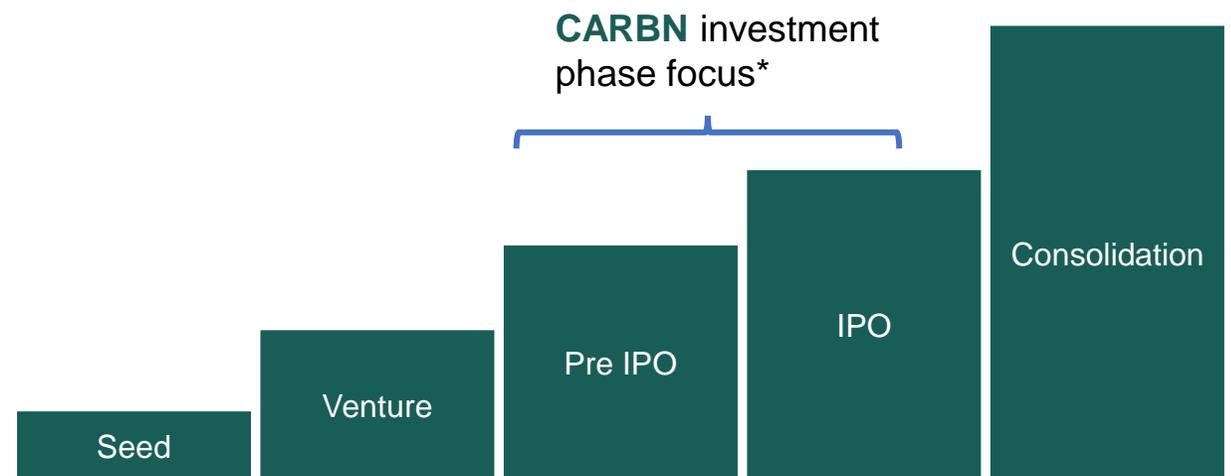
- Unique opportunity to take part from an early stage in the ongoing energy transition
- Multiple sectors going through massive changes, creating vast opportunities to invest in long term winners (there will be several)
- Opportunistic approach but typically some common denominators:
  - Unique & proven technology
  - Scalable business model
  - High barriers to entry
  - Global potential
- Company may also invest more broadly in the energy transition space





# Carbon Transition ASA | Value proposition

- CARBN expects to unlock substantial & tangible value through investing in companies which are:
  - Through its seed and venture phase
  - Currently looking for growth capital in pre IPO phase
  - Targeting an IPO in the short to medium term
- CARBN represents a unique investor for such companies as we provide a combination of:
  - Sizeable investment
  - Active involvement
  - Attention through stock listing
  - Strong shareholder base
- With a unique access to deal flow CARBN is well positioned to screen the market and make attractive investments



\* Company may also make investments which deviate from the illustrative model



# CO<sub>2</sub> prices

## The driving force of change – and green profitability

- In four years' time, the price on European emissions rights, EU ETS, has increased tenfold
- Currently trading around EURO 55 / ton
- EU “Green Deal” target: Europe to be the world’s first carbon neutral region by 2050
- China with similar commitment for 2060
- Global momentum through the Paris climate agreement
- Massive investments needed to meet targets
  - Estimated level > EURO 250 billion / year for EU alone
  - Funds exiting fossil fuels/energy in parallel



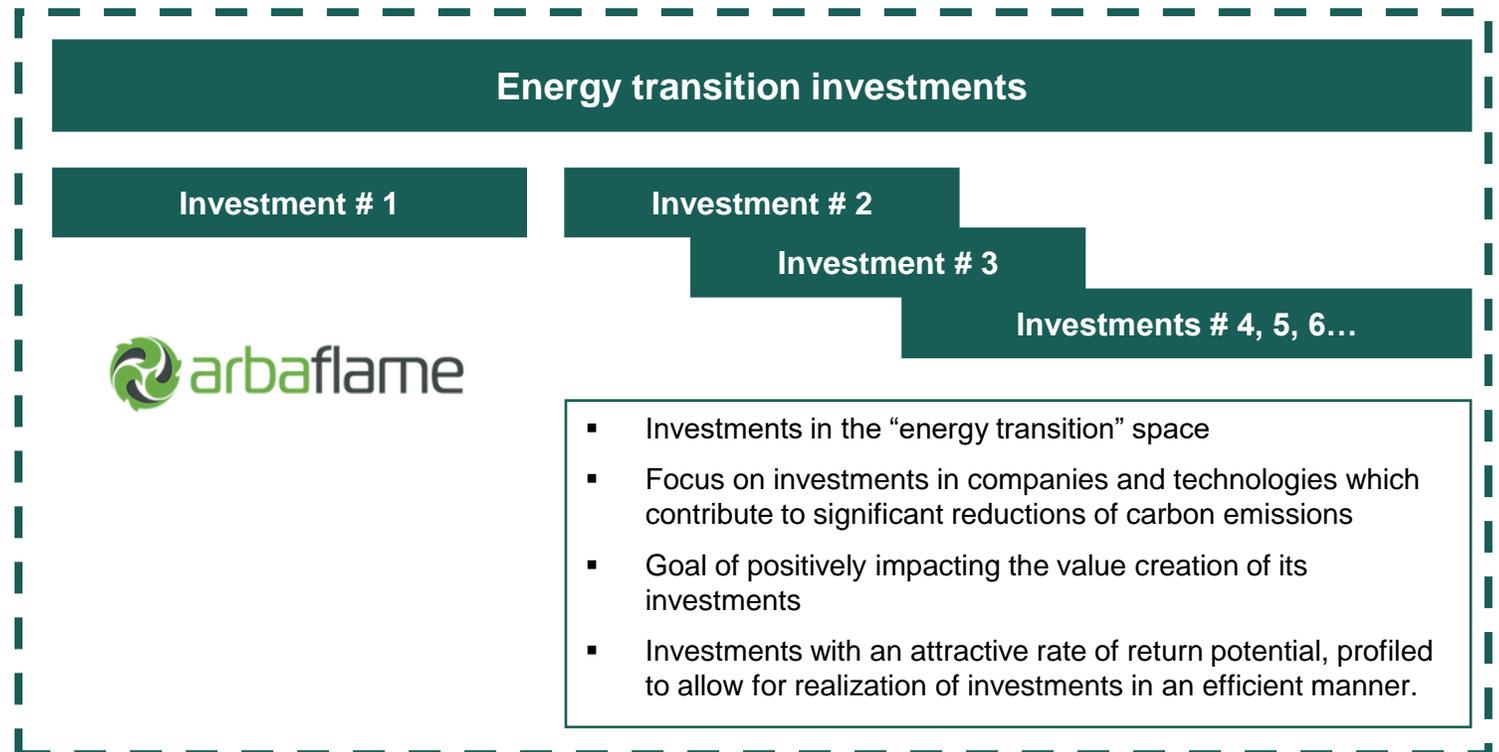
Source: Vattenfall

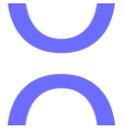


# Carbon Transition investments is the way forward

## Maximizing value of legacy seismic business

Legacy segments	
<b>Multi-Client</b>	<b>Ocean Bottom Node</b>
<ul style="list-style-type: none"><li>▪ Holds significant ownership of high-resolution seismic data libraries in Norway and Egypt.</li><li>▪ Late sales to generate revenues and cash flow</li><li>▪ Joint ownership with TGS and Western Geco</li></ul>	<ul style="list-style-type: none"><li>▪ Global experience with multi-vessel ocean bottom node (OBN) operations</li><li>▪ Project organization capable of performing complex OBN operations</li><li>▪ Scalable asset-light business model, low fixed cost structure</li><li>▪ Evaluating strategic alternatives</li></ul>





# First investment | Arbaflame AS

- NOK 30 million invested as part of NOK 156 million convertible loan
- NOK 550 million invested to date, including several ESG focused entities and main sponsor Pemco
- Highly attractive company with unique and verified technology enabling production of black pellets from bio waste (“ArbaCore”)
- ArbaCore can fully replace coal in coal-fired power plants worldwide, reducing Co2 emissions by approximately 90% compared to coal
- Current production capacity at 70.000 tonnes per year, with goal of >850,000 tonnes per year in 2026 (0.2% of the total coal consumption in EU)
- Backlog for delivery of ArbaCore corresponding to a value of up to EUR 65m
- Incoming requests and discussions with several new prospects wanting supply of ArbaCore
- Verified extraction of planned high value green chemicals: Furfural, Methanol and Biogas
- First truck of ArbaCore delivered to port early July
- Planning and engineering of next production plants initiated
- Substantial global potential





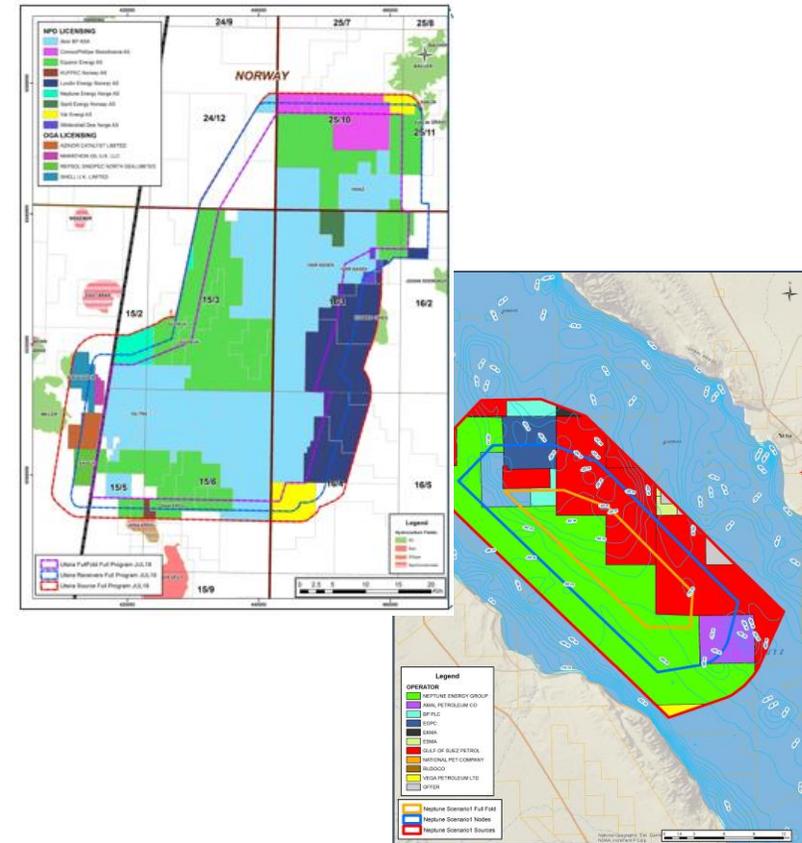
# Multi-Client business update

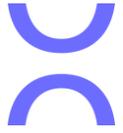
## UTSIRA

- Continued interest in the Utsira OBN MC data set in the central North Sea
- Several ongoing discussions with potential clients
- Positive outlook for late sales in the second half of 2021

## EGYPT – GULF OF SUEZ

- The data processing of the Gulf of Suez multi-client library is expected to be completed in Q3 2021
- Marketing efforts to follow





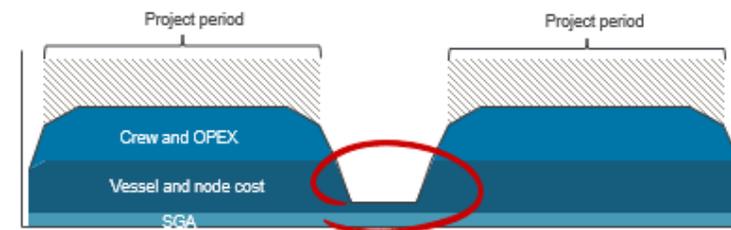
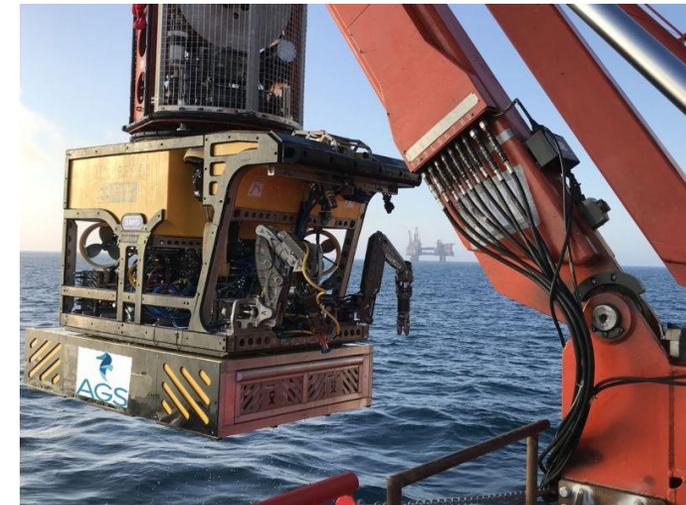
# OBN business update

## NORTH SEA PROJECT

- Contract signed and announced in 2020
- First ROV based data acquisition project
- Divested source vessel Neptune Naiad in line with “asset light” strategy
- Mobilized crew, vessels and equipment from “standing start” in late June
- Project completed on schedule and budget in late July
- Revert to low cost “smart stack” mode immediately upon completion

## CONTRACT PIPELINE

- Seismic market remains challenging
- Limited remaining OBN contract opportunities for 2021
- Uptick in demand for seismic projects in 2022 – several active tenders
- Low fixed-cost strategy is key





- 1 Quarterly highlights
- 2 Business overview
- 3 Financial review
- 4 Summary





# Reconstruction summary

USD million

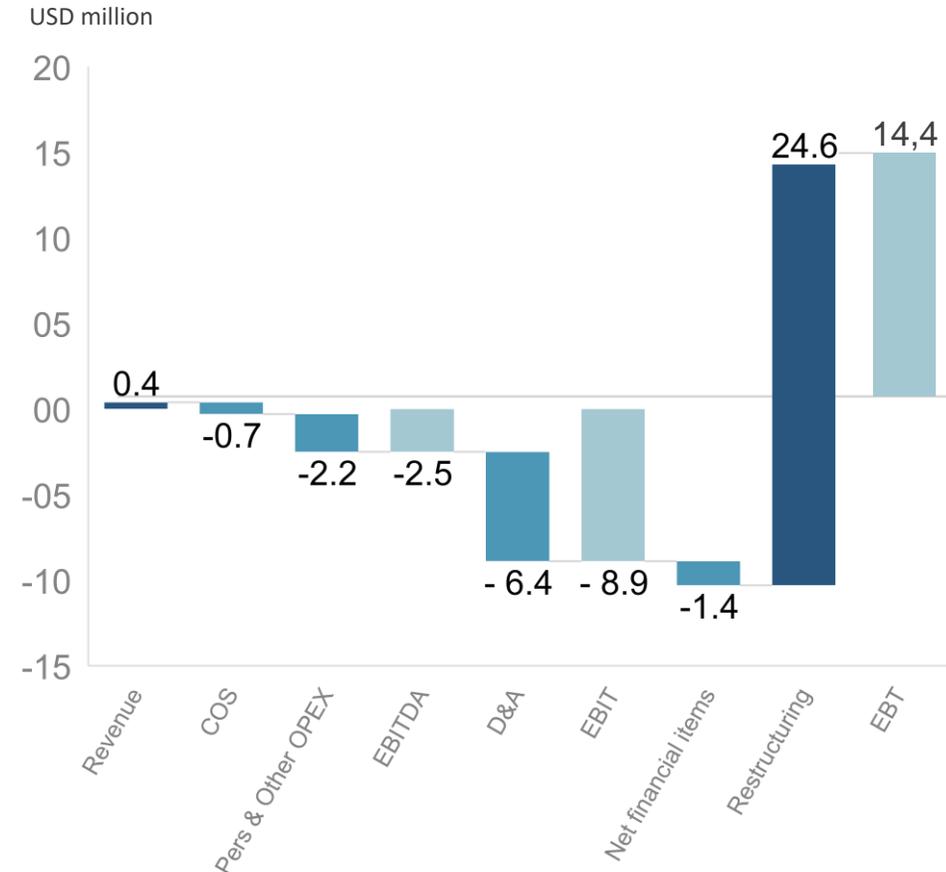
<u>Equity and Liabilities</u>	<u>Balance 31.03.2021</u>	<u>Unrelated period movements</u>	<u>Cash payments</u>	<u>Gain on debt forgiveness</u>	<u>Equity Conversion</u>	<u>Fair value on equity conversion</u>	<u>Capital Increase</u>	<u>Balance 30.06.2021</u>
Total equity	-14.4	-9.6		18.2	25.5		15.5	35.2
Total current liabilities	64.3	-0.4	-5.0	-18.2	-25.5			15.3
Total equity and liabilities	49.9	-10.0	-5,0				15.5	50.4
Gain from in income statement				18.2		6.5		24.6

- TGS maturity extended to 31 March 2023
- Sale of the vessel Neptune Naiad is included under unrelated period movements



# Second quarter segment P&L

- The company mobilized for the North Sea project during the quarter
- Revenues from COVID-19 compensation of USD 0.4 million
- EBITDA of negative USD 2.5 million
- Sale of Neptune Naiad (net loss USD 3.5 million)
- EBIT of negative USD 8.9 million
- Reconstruction completed
  - USD 24.6 million gain
- EBT of USD 14.4 million





# Second quarter segment financial position

USD million

<b>Assets</b>	<b>30.06.2021</b>
Multi client library	32.5
Property, plant & equipment	4.6
Other current assets	4.7
Cash and cash equivalents	8.6
<b>Total assets</b>	<b>50.4</b>
<b>Equity and liabilities</b>	
<b>30.06.2021</b>	
Equity	35.2
Accounts Payable	1.6
Other Current liabilities	13.6
<b>Total equity and liabilities</b>	<b>50.4</b>

- Equity before subsequent offering NOK 20 million in July
- Cash position reflects pre-payments of approximately USD 2.3 million for the North Sea project
- Other current assets include USD 0.7 million in seller credit related to the sale of Neptune Naiad
- Other current liabilities include USD 6.1 million TGS payable and USD 5.9 million in Egyptian taxes
- Tax loss carryforward preliminarily estimated at approximately USD 44 million



# Overview of shares outstanding

<u>Overview shares</u>	<u>Number of shares</u>	<u>%</u>
<u>Ordinary shares 1 January 2021</u>	<u>58 821 018</u>	<u>2.8%</u>
Private placement June 2021	1 445 000 000	67.9%
<u>Converted shares June 2021</u>	<u>424 399 458</u>	<u>19.9%</u>
<b><u>Total shares 30 June 2021</u></b>	<b><u>1 928 220 476</u></b>	
Subsequent offering July 2021	200 000 000	9.4%
<u>Reverse split adjustment shares</u>	<u>24</u>	<u>0.0%</u>
<b><u>Total shares</u></b>	<b><u>2 128 220 500</u></b>	<b><u>100.0%</u></b>
<u>Reverse split 9 August 2021 (10:1)</u>		
<b><u>Total shares 25 August 2021</u></b>	<b><u>212 822 050</u></b>	

- Strong investor base following the restructuring of the company

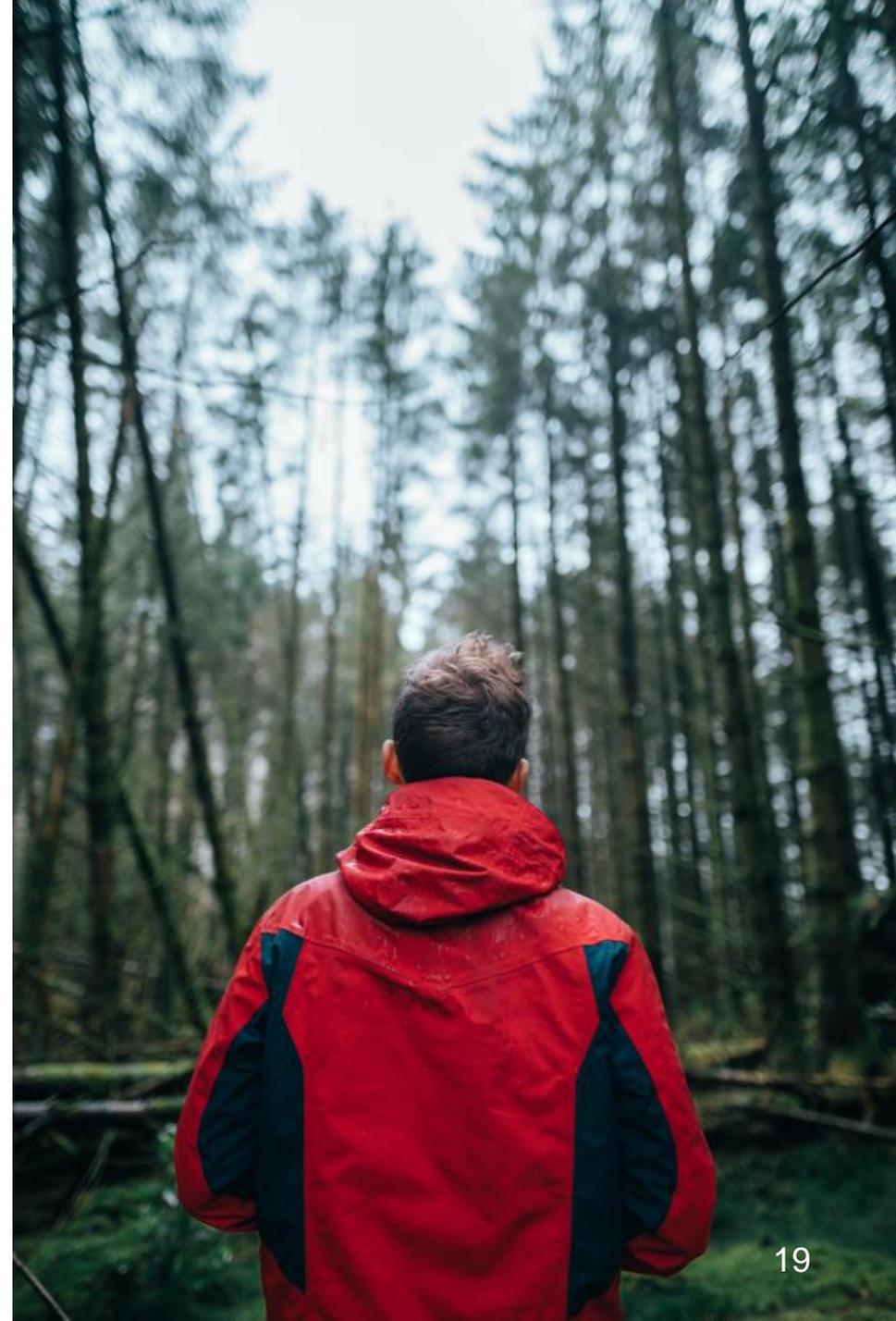


- 1 Quarterly highlights
- 2 Business overview
- 3 Financial review
- 4 Summary



# Summary

- New strategic direction – investing in a sustainable future, focusing on reducing carbon emissions
- Change of company name and ticker symbol
- First investment made under new strategy - Arbaflame AS
- NOK 20 million repair offering substantially oversubscribed
- North Sea project completed on time and on budget
- Multi-Client late sales to contribute to further growth
- Continuously evaluating opportunities and expect to announce new investment(s) within a relatively short time frame



Investing in a  
sustainable future.