

PROSPECTUS

capsol technologies

CAPSOL TECHNOLOGIES ASA

(A public limited liability company incorporated under the laws of Norway)

**Listing of the Company's shares on the main list of the Oslo Stock Exchange
Public Retail Offering of up to 2,250,000 shares.**

This Prospectus (the "**Prospectus**") has been prepared by Capsol Technologies ASA (the "**Company**" or "**Capsol Technologies**"), a public limited liability company incorporated under the laws of Norway (together with its consolidated subsidiaries, the "**Group**") in connection with (i) a retail offering to the public in Norway and Sweden (the "**Retail Offering**") of up to 2,250,000 shares (the "**Offer Shares**") and (ii) the listing (the "**Listing**") of the Company's 60,538,669 outstanding shares, each with a par value of NOK 0.5 (the "**Shares**") on the Oslo Stock Exchange, a stock exchange operated by Oslo Børs ASA (the "**Oslo Stock Exchange**").

The final number of Offer Shares will be determined following an application period and will be set by the Company, in consultation with the Managers. The application period for the Retail Offering (the "**Application Period**") will commence at 09:00 on 28 May 2024 and close at 16:30 on 5 June 2024. The Application Period may, at the Company's sole discretion, in consultation with the Managers, and for any reason, be extended beyond the set times, but will in no event be extended beyond 16:30 on 14 June 2024. The price at which the Offer Shares will be sold (the "**Offer Price**") will be set at a 10% discount to the minimum of (i) the volume-weighted average price of the Shares on Euronext Growth Oslo during the Application Period (seven trading days between 28 May 2024 and 5 June 2024 – subject to potential extension), and (ii) the volume-weighted average price of the Shares on Euronext Growth Oslo on the last day of the Application Period (one trading day on 5 June 2024 – subject to potential extension). The final Offer Price will be rounded down to the nearest tenth. The final Offer Price will be announced in connection with the publication of the results of the Retail Offering post close of the Application Period. See Section 15 "*The terms of the Retail Offering*" for further information.

The Shares have been trading on Euronext Growth Oslo, a multilateral trading facility operated by the Oslo Stock Exchange, since 20 December 2021 under the ticker code "CAPSL" with ISIN NO0010923121. On 22 April 2024, the Company applied for the Shares to be admitted to trading and listing on the Oslo Stock Exchange. The Company's listing application was approved by the Oslo Stock Exchange on 24 May 2024. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and admitted to trading through the facilities of the Oslo Stock Exchange. Trading in the Shares on the Oslo Stock Exchange is expected to commence on or about 19 June 2024, under the ticker code "CAPSL".

The Shares are, and the Offer Shares will be, registered in the Norwegian Central Securities Depository (Nw.: "Verdipapirsentralen") (the "**VPS**") in book-entry form. Except where the context otherwise requires, references in this Prospectus to the Shares will be deemed to include the Offer Shares.

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Persons in possession of this Prospectus are required to inform themselves about and to observe any restrictions. See Section 16 "*Selling and transfer restrictions*".

Investing in the Shares and the Offer Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "*Risk factors*" when considering an investment in the Company.

Managers

Pareto Securities AS

SpareBank 1 Markets AS

The date of this Prospectus is 24 May 2024.

IMPORTANT NOTICE

This Prospectus has been prepared by the Company in connection with the Retail Offering and the Listing of the Shares on the Oslo Stock Exchange and in order to provide information about the Group and its business. The Company has engaged Pareto Securities AS and SpareBank1 Markets AS as co-lead managers in connection with the Listing and the Retail Offering (together referred to as the “**Managers**”).

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the “**Norwegian Securities Trading Act**”) and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and as implemented in Norway in accordance with section 7-1 of the Norwegian Securities Trading Act (the “**EU Prospectus Regulation**”). This Prospectus has been prepared solely in the English language.

This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: “Finanstilsynet”) (the “**Norwegian FSA**”), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the Company or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The information contained herein is current as at the date hereof and subject to change, completion, and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or inaccuracies relating to the information included in this Prospectus, which are capable of affecting the assessment by investors between the time of approval of this Prospectus by the Norwegian FSA and the Listing on Oslo Stock Exchange, will be included in a supplement to this Prospectus. Neither the publication nor distribution of this Prospectus shall under any circumstances imply that there has been no change in the Group’s affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Listing or the Shares other than as contained in this Prospectus. If any such information is given or made by the Company or the Managers, it must not be relied upon as having been authorised by the Company or by any of the affiliates, representatives, advisors of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, subscribe or sell, any of the Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company requires persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 16 “*Selling and transfer restrictions*”.

Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its content is prohibited.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group, including the merits and risks involved. Neither the Company nor any of its representatives or advisers, are making any representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

All sections of the Prospectus should be read in context with the information included in Section 4 “*General information*”. Investing in the Shares involves certain risks. See Section 2 “*Risk factors*”. For definitions of certain other terms used throughout this Prospectus, see Section 19 “*Definitions and glossary*”.

This Prospectus and the terms and conditions of the Retail Offering as set out in this Prospectus and any sale and purchase of Offer Shares shall be governed by, and construed in accordance with, Norwegian law. The courts of Norway, with Oslo District Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Prospectus.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the “**Positive Target**”).

Market"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Appropriate Channels for Distribution**"). Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the "**Negative Target Market**" and, together with the Positive Target Market, the "**Target Market Assessment**"). The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Listing.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a public limited liability company incorporated under the laws of Norway. As a result, the rights of holders of the Shares will be governed by Norwegian law and the Company's articles of association (the "**Articles of Association**"). The rights of shareholders under Norwegian law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

The members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Company's senior executive management team are not residents of the United States of America (the "**U.S.**" or "**United States**"), and a substantial portion of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of management of the Company (the "**Management**") in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United States (including any state or territory within the United States).

The United States and Norway do not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters. Uncertainty exists as to whether courts in Norway will enforce judgments obtained in other jurisdictions, including the United States, against the Company or its Board Members or Management under the securities laws of those jurisdictions or entertain actions in Norway against the Company or its Board Members or Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway.

Similar restrictions may apply in other jurisdictions.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder, upon the request of such holder, beneficial owner or prospective owner, the information required to be delivered pursuant to Rule 144A(d)(4) of the U.S. Securities Act. The Company will also make available to each such holder or beneficial owner, all notices of shareholders' meetings and other reports and communications that are made generally available to the Company's shareholders.

DATA PROTECTION

As data controllers, each of the Managers processes personal data to deliver the products and services that are agreed between the parties and for other purposes, such as to comply with laws and other regulations, including the General Data Protection Regulation (EU) 2016/679 (the "**GDPR**") and the Norwegian Data Protection Act of 15 June 2018 No. 38. The personal data will be processed as long as necessary for the purposes and will subsequently be deleted unless there is a statutory duty to keep it. For detailed information on each Manager's processing of personal data, please review such Manager's privacy policy, which is available on its website or by contacting the relevant Manager. The privacy policy contains information about the rights in connection with the processing of personal data, such as access to information, rectification, data portability, etc. If the applicant is a corporate customer, such customer shall forward the relevant Manager's privacy policy to the individuals whose personal data it discloses to the Managers.

Table of contents

1	SUMMARY	8
1.1	English	8
1.2	Swedish	15
2	RISK FACTORS	23
2.1	Risks related to the Group's industry and business	23
2.2	Risks related to laws and regulations	28
2.3	Risk related to the Group's financial position	28
2.4	Risk related to the Listing and the Shares	30
3	RESPONSIBILITY FOR THE PROSPECTUS	32
4	GENERAL INFORMATION	33
4.1	Important investor information	33
4.2	Presentation of financial and other information	34
4.3	Third-party information	35
4.4	Cautionary note regarding forward-looking statements	36
5	DIVIDEND AND DIVIDEND POLICY	38
5.1	Dividend policy	38
5.2	Legal and contractual constraints on the distribution of dividends	38
5.3	Manner of dividend payments	39
6	INDUSTRY AND MARKET OVERVIEW	40
6.1	Market introduction	40
6.2	Energy transition development	41
6.3	Key markets	43
6.4	Key target industries	45
6.5	Key geographies	48
6.6	Competitive situation	48
6.7	Industry- specific competitive situation	49
7	BUSINESS OF THE GROUP	51
7.1	Introduction to the Group	51
7.2	Principal activities	51
7.3	History and important events in the development of the Company's business	56
7.4	Strategy and objectives	58
7.5	Key projects	60
7.6	Partnerships	62
7.7	Material contracts	65
7.8	Regulatory environment	65
7.9	Legal and arbitration proceedings	67
8	CAPITALISATION AND INDEBTEDNESS	67
8.1	Introduction	67
8.2	Capitalisation	68

8.3	Net Financial indebtedness	68
8.4	Working capital statement	69
8.5	Contingent and indirect indebtedness	69
9	SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION	70
9.1	Presentation of financial information	70
9.2	Summary of accounting policies and principles	70
9.3	Independent auditor	70
9.4	Consolidated statement of profit or loss	70
9.5	Consolidated statement of financial position	71
9.6	Consolidated statement of cash flows	72
9.7	Statement of changes in equity	73
10	OPERATING AND FINANCIAL REVIEW	75
10.1	Introduction	75
10.2	Key factors affecting the Group's results of operations and financial performance	75
10.3	Recent development and trends	79
10.4	Description of key line items	80
10.5	Results of operations	81
10.6	Financial position	87
10.7	Liquidity and capital resources	92
10.8	Cash flows	93
10.9	Capital management	95
10.10	Investments	95
10.11	Financing	97
10.12	Government grants	97
10.13	Critical accounting policies and estimates	98
10.14	Significant changes in the issuer's financial position	101
10.15	Property, plant, and equipment	101
10.16	Off-balance sheet arrangements	102
11	ORGANISATION, BOARD OF DIRECTORS AND MANAGEMENT	103
11.1	Introduction	103
11.2	The Board of Directors	103
11.3	Management	106
11.4	Conflicts of interests	109
11.5	Convictions for fraudulent offences, bankruptcy etc.	109
11.6	Remuneration and benefits	109
11.7	Share incentive programs	110
11.8	Pension and retirement benefits	111
11.9	Benefits upon termination	111
11.10	Corporate governance	112
11.11	Employees	112
11.12	Committees	112
12	RELATED PARTY TRANSACTIONS	113
12.1	Overview	113
13	CORPORATE INFORMATION AND DESCRIPTION OF THE SHARES	114
13.1	Company corporate information	114
13.2	Legal structure	114
13.3	Share capital and share capital history	115

13.4	Admission to trading	115
13.5	Ownership structure	116
13.6	Financial instruments	116
13.7	Lock-up arrangements	116
13.8	Authorisations to increase the share capital	117
13.9	Treasury shares and authorisation to acquire treasury shares	117
13.10	Shareholder rights	117
13.11	Transferability of the Shares	117
13.12	The Articles of Association	118
13.13	Certain aspects of Norwegian corporate law	119
13.14	Shareholder agreements	122
14	SECURITIES TRADING IN NORWAY	123
14.1	Introduction	123
14.2	Market value of shares on the Oslo Stock Exchange	123
14.3	Trading and settlement	123
14.4	Information, control and surveillance	124
14.5	VPS and transfer of shares	124
14.6	Shareholder register	125
14.7	Foreign investment in shares listed in Norway	125
14.8	Disclosure obligations	126
14.9	Insider trading	126
14.10	Mandatory offer requirement	126
14.11	Compulsory acquisition	127
14.12	Foreign exchange controls	128
15	THE TERMS OF THE RETAIL OFFERING	129
15.1	Overview of the Retail Offering	129
15.2	Timetable	130
15.3	Resolution(s) relating to the offering	130
15.4	Offer price	131
15.5	Disparity to Offer Price	131
15.6	Application Period	131
15.7	Minimum and maximum application	131
15.8	Application procedures	132
15.9	Payment and delivery of Offer Shares	133
15.10	Mechanism of Allocation	134
15.11	VPS account and Nordnet Account	135
15.12	Mandatory anti-money laundering procedures	135
15.13	Publication of information related to the Retail Offering	135
15.14	The rights conferred by the Offer Shares	136
15.15	VPS registration	136
15.16	National Client Identifier and Legal Entity Identifier	136
15.17	Reasons for the Listing and the Retail Offering	136
15.18	Conditions for completion of the Retail Offering	137
15.19	Participation of major existing Shareholders and members of the Company's Management, supervisory and administrative bodies in the Retail Offering	137
15.20	Expenses related to the Retail Offering and Listing	137
15.21	Lock-up	137
15.22	Interests of natural and legal persons involved in the Retail Offering	137
15.23	Product governance	138
15.24	Dilution	139
15.25	Governing Law and Jurisdiction	139

16	SELLING AND TRANSFER RESTRICTIONS	140
16.1	General	140
16.2	Selling restrictions	140
16.3	Transfer restrictions	141
17	NORWEGIAN TAXATION	145
17.1	Taxation of dividends	145
17.2	Taxation upon realisation of shares	147
17.3	Net wealth tax	148
17.4	Stamp duty / transfer tax etc.	149
17.5	The Company's responsibility for the withholding of taxes	149
18	ADDITIONAL INFORMATION	150
18.1	Independent auditors	150
18.2	Advisors	150
18.3	Documents available	150
19	DEFINITIONS AND GLOSSARY	151

APPENDICES

APPENDIX A	Articles of Association
APPENDIX B	Annual Financial Statements (as of and for the three years ended 31 December 2023, 2022, and 2021)
APPENDIX C	Interim Financial Information (as of and for the three-month period ended 31 March 2024)
APPENDIX D	Application Form for the Retail Offering (English)

1 SUMMARY

1.1 English

INTRODUCTION

<i>Warning.....</i>	This summary should be read as an introduction to the Prospectus. Any decision to invest in the Shares should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. If a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor may, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability shall be imposed only on the persons who have provided the summary, including any translation thereof, and only if the summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent, or if, when read together with the other parts of the Prospectus, it omits material information to assist investors in considering whether to invest in such securities.
<i>The securities.....</i>	The Company has one class of shares in issue. The Shares are registered in book-entry form with VPS and has ISIN NO 0010923121.
<i>The issuer.....</i>	Capsol Technologies ASA is registered with registration number 914 620 457 in the Norwegian register of Business Enterprises and the registered address is Drammensveien 126, 0277 Oslo, Norway. The Company's Legal Entity Identifier (LEI) is 549300WYBNH1T16J8V12. The Company's website can be found at www.capsoltechnologies.com and its telephone number is (+47) 466 71 873.
<i>The competent authority approving the Prospectus.....</i>	The Financial Supervisory Authority of Norway (Nw.: "Finanstilsynet"), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number (+47) 22 93 98 00.
<i>Date of approval.....</i>	24 May 2024

KEY INFORMATION ON THE ISSUER

Who is the issuer of the securities?

<i>Corporate information.....</i>	The Company is a public limited liability company organised and existing under the laws of Norway pursuant to the Norwegian Public Companies Act. The Company was incorporated on 8 December 2014 as a private limited liability company and transformed to a public limited liability company following the extraordinary General Meeting held on 27 September 2023. The Company's Legal Entity Identifier (LEI) is 549300WYBNH1T16J8V12. The Company is headquartered in Oslo, Norway.
<i>Principal activities.....</i>	The Group develops and provides technology solutions for the capture of carbon dioxide from large scale, point source emitters. Today these solutions are marketed under the registered trademarks of CapsolEoP® and CapsolGT®. Solutions will be delivered to customers by providing a process design package which serves as the blueprint for engineering and building carbon capture plants. Further, the Group supports carbon dioxide emitters with developing their carbon capture projects towards

FIDs by providing mobile demonstration units together with demonstration programs under the registered trademark CapsolGo®, as well as engineering services and advice on value chain partner selection and project integration. The engineering services the Group provide include sales engineering, feasibility studies and input to front-end engineering studies.

Major shareholders..... Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. The following table sets forth shareholders owning 5% or more of the shares in the Company as of this Prospectus.

#	Shareholder	Number of Shares	Percent
1	REDERIAKTIESELSKAPET SKRIM	9,546,474	15.77%
2	SEOTO AS	5,172,677	8.54%
3	AQUILA HOLDING INVESTMENT AS	4,033,188	6.66%

Key managing directors..... The Company's executive management consists of six individuals. The names of Management and their respective positions are presented in the table below.

Name	Current position within the Company
Wendy Lam	Chief Executive Officer (CEO)
Ingar Bergh	Chief Financial Officer (CFO)
Tone Bekkestad	Chief Marketing Officer (CMO)
Cato Christiansen	Chief Technology Officer (CTO)
Johan Jungholm	Chief Commercial Officer (CCO)
Philipp Staggat	Chief Product Officer (CPO)

Statutory auditor..... The Group's independent auditor is RSM Norge AS, with business registration number 982 316 588 and registered business address at Ruseløkkveien 30, 0251 Oslo, Norway.

What is the key financial information regarding the issuer?

Since the listing of the Company on the Euronext Growth Oslo in December 2021, the Group has prepared and reported consolidated financial statements in accordance with NGAAP (as defined below) for "Other companies" (Nw.: "GRS Øvrige foretak"). With effect for the year 2023 the Group has transitioned to IFRS® Accounting Standards (IFRS) as approved by the EU (as defined below), hence the consolidated financial statements for the year ended 31 December 2023 have been prepared in accordance with IFRS. As part of the transition to IFRS and in connection with the Listing, the Group has further prepared consolidated financial statements for the financial years ended 31 December 2022 and 2021 in accordance with IFRS, in order to present three years of consistent, financial information in accordance with IFRS. The Group's consolidated financial statements (the Annual Financial Statements as defined below) for the financial years ended 31 December 2023, 2022, and 2021 have been audited by the Group's auditor RSM, their independent audit report is included therein. Further, the Group has prepared interim financial statements accordance with IAS 34 as of and for the three-month periods ended 31 March 2024 and 31 March 2023 (the Interim Financial Information as defined below), which is unaudited but have been subject to review procedures by RSM.

The tables below set out key financial information extracted from the Group's audited Annual Financial Statements as of and for the financial years ended 31 December 2023, 2022, and 2021, and from the unaudited Interim Financial Information as of and for the three-month periods ended 31 March 2024 and 31 March 2023.

Income statement

	Three-month period ended 31 March	
	2024	2023
<i>(Amounts in NOK)</i>		
Total revenue	19,507,840	876,108
Operating Income/(loss)	(5,697,086)	(12,598,822)
Net profit/(loss)	(7,934,351)	(13,024,793)

Statement of financial position

	Three-month period ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
<i>(Amounts in NOK)</i>					
Total assets	202,600,007	100,663,028	145,727,285	102,298,915	97,713,632
Total equity	110,092,589	60,507,074	33,924,453	71,694,043	87,108,611
Total liabilities	92,507,417	40,155,955	111,802,832	30,604,872	10,605,021

Statement of cash flows

	Three-month period ended 31 March		Year ended 31 December		
	2024	2023	2023	2022	2021
<i>(Amounts in NOK)</i>					
Cash flow from operating activities	(18,145,301)	(5,315,163)	(4,901,300)	(32,023,483)	(14,607,467)
Cash flow from investing activities	(2,556,750)	(15,912,705)	(51,299,634)	(22,125,351)	(2,964,720)
Cash flow from financing activities	75,546,679	(1,674,968)	39,168,097	30,570,523	101,940,274

What are the key risks that are specific to the issuer?

Material risk factors.....

- There is a risk that the Group may invest in scaling up its workforce/activities faster than its ability to meet projected revenues, which are based on assumptions of market activity and growth, regulation and competition. Engineering studies the Group has entered into may not materialise into licence agreements or revenues, particularly if the Group fails to deliver on its targeted performance and cost metrics.
- Projects that have signed licence agreements with the Group may not reach FIDs and fail to generate revenue for the Group.
- The Group is exposed to risks related to the protection of its proprietary technology (IPR). There is a risk that the Group's current or future patents or patent claims may expire or be invalidated, circumvented, challenged or abandoned.
- There may occur project-specific or general engineering challenges in building large scale plants related to the construction, installation, and operational performance of the carbon capture facility.
- The Group is exposed to risks relating to government or other non-commercial funding, licenses, governmental approvals and various public policies. There is a risk that the Group, or the Group's customers, will not obtain the necessary licences or

approvals, or that obtaining such licenses or approvals will require significant resources from the Group or its customers, which in turn may negatively impact the Group's financial position, operations and results.

- The Group is exposed to legal and regulatory risks. The Group and its customers, suppliers and partners are all subject to laws and regulations with respect to their industry. Changes in regulations or government policy, or introduction of new regulations, could restrict the Group's market access or increase the costs of production, compliance and development of the Group's products, which in turn could have an adverse effect on the Group's operations, earnings and financial position.
- The Group is exposed to risk related to funding of the business. If funding is insufficient at any time in the future, the Group may be unable to, inter alia, fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any of which could adversely impact the Group's financial condition and results of operations. Lack of ability to obtain sufficient funding in the future could result in insolvency or liquidation of the Group.
- The Group's loan agreements include green loan covenants that may limit the Group's ability to engage in certain activities. By breaching these covenants, the Group's loan will be reclassified from a "green" loan to a regular loan, increasing the interest rate by a minimum of 10 basis points. This, in turn, may have an adverse effect on the Group's results of operations or prospects in the longer term.

KEY INFORMATION ON THE SECURITIES

What are the main features of the securities?

<i>Type, class and ISIN.....</i>	All the Shares are ordinary shares in the Company and have been created under the Norwegian Public Companies Act. The Shares are registered in book-entry form with VPS and have ISIN NO 0010923121.
<i>Currency, nominal value and number of securities.....</i>	The Shares will be traded in NOK on the Oslo Stock Exchange. As of the date of this Prospectus, the Company's share capital is NOK 30,269,334.50 divided into 60,538,669 Shares, each with a nominal value of NOK 0.5.
<i>Rights attached to the securities....</i>	The Company has one class of shares in issue, and in accordance with the Norwegian Public Companies Act, all shares in that class provide equal rights in the Company, including the right to dividends. Each of the Shares carries one vote.
<i>Transfer restrictions.....</i>	The Shares are freely transferable. The Articles of Association do not provide for any restrictions on the transfer of Shares, or a right of first refusal for the Shares. Share transfers are not subject to approval by the Board of Directors.
<i>Dividend and dividend policy.....</i>	The Company's dividend policy is to pay dividends reflecting the underlying earnings and cash flow while ensuring efficient capital allocation in the Group. When deciding the dividend level, the Board of Directors will among other things take into consideration capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility. On 27 September 2023, the Company

resolved to adopt a share capital reduction, cf. section 12-5 and 12-1 of the Norwegian Private Companies Act. The capital reduction was registered in the Register of Business Enterprises on 10 October 2023. Since the capital reduction was carried out without creditor notice, a distribution of dividends cannot be resolved by the Company until three years have passed from the registration date, unless the share capital subsequently has been increased by an amount at least equal to the reduction.

Where will the securities be traded?

Admission to trading..... The Shares have been admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by the Oslo Stock Exchange under the ticker code “CAPSL” with ISIN NO 0010923121. On 22 April 2024, the Company applied for the Shares to be admitted to trading and listing on the main list of the Oslo Stock Exchange. The Company’s listing application was approved by the Oslo Stock Exchange on 24 May 2024. Upon Listing, the Shares will be deregistered and transferred from Euronext Growth Oslo and will be admitted to trading through the facilities of the Oslo Stock Exchange.

What are the key risks that are specific to the securities?

Material risk factors.....

- In connection with the Private Placement, members of the Board of Directors and the Management, as well as the Company's largest shareholder Rederiaktieselskapet Skrim AS, have entered into customary lock-up undertakings with the Managers for a period of 180 days following the completion of the Private Placement. When these lock-up arrangements expire, or if they are waived or terminated by the Managers, the Shares that are subject to the lock-ups may be sold freely and become available for sale in the public market or otherwise, which could affect the share price.
- An investment in the Shares is associated with a high degree of risk and the price of the Shares may not develop favourably. The share prices of companies admitted to trading on the Oslo Stock Exchange can be highly volatile and the trading volume and price for the Shares may fluctuate significantly and may not reflect the underlying asset value of the Company.
- Future issuance of shares, the exercise of options or share purchase rights or any other securities any other purpose could dilute existing shareholders' ownership interest and materially affect the market price of the Shares.

KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

Under which conditions and timetable can I invest in this security?

Terms and conditions of the Retail Offering..... The Retail Offering consists of an offering of up to 2,250,000 Offer Shares, each with a nominal value of NOK 0.5.

The Offer Price to be paid for each Offer Share in the Retail Offering will be set at a 10% discount to the minimum of (i) the volume-weighted average price of the Shares on Euronext Growth Oslo during the Application Period (seven trading days between 28 May 2024 and 5 June 2024 – subject to potential extension), and (ii) the volume-weighted average price of the Shares on Euronext Growth Oslo on the last day of

the Application Period (one trading day on 5 June 2024 – subject to potential extension). The final Offer Price will be rounded down to the nearest tenth. The final Offer Price will be announced in connection with the publication of the results of the Retail Offering post close of the Application Period.

The Offer Shares are being offered to the public in Norway and Sweden subject to a minimum amount per application of NOK 10,500 and an upper limit per application of NOK 2,000,000 for each investor. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

Timetable in the Retail Offering....

The timetable set out below provides certain indicative key dates for the Offering (subject to extensions):

Timetable	Key dates
Application Period commences	28 May 2024 at 09:00 CEST
Application Period ends	5 June 2024 at 16:30 CEST
Publication of the results of the Retail Offering	On or about 5 June 2024
Notification of allocation in the Retail Offering	On or about 6 June 2024
Payment Date in the Retail Offering	On or about 10 June 2024
Registration of new share capital pertaining to the Retail Offering	On or about 18 June 2024
Delivery of the Offer Shares in the Retail Offering	On or about 19 June 2024
Commencement of trading in the Shares on the Oslo Stock Exchange	On or about 19 June 2024

Note that the Company, together with the Managers, reserve the right to extend the Application Period at their sole discretion. In the event of an extension of the Application Period, the allocation date, the payment due dates and the date of delivery of Offer Shares may be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange will not necessarily be changed.

Admission to trading.....

On 22 May 2024, the Company applied for admission to trading of the Shares on the Oslo Stock Exchange. Trading the Shares on Oslo Stock Exchange is expected to commence on or about 19 June 2024, under the ticker code “CAPSL”. The Shares will upon listing be deregistered from Euronext Growth Oslo. The Company has not applied for admission to trading the Shares on any other stock exchange, regulated market or multilateral trading facility (MTF).

Distribution plan.....

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant provided.

The Company, in consultation with the Managers, reserves the right to limit the total number of applicants to whom Offer Shares are allocated in the Retail Offering if the Company deems this to be necessary in order to keep the number of shareholders in the Company at an appropriate level. If the Company should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using an automated simulation procedure and/or other random allocation mechanisms.

Dilution..... The issuance of the Offer Shares in the Retail Offering may result in a maximum number of Shares in the Company of 62,788,669, which will correspond to a dilution for the existing shareholders of approximately 3.58%. This is based on the assumption that the Company issues the maximum number of Offer Shares at the Illustrative Offer Price and that none of the existing Shareholders subscribes for any Offer Shares in the Retail Offering.

Total expenses of the Listing and Retail Offering..... The Company's total costs expenses of, and incidental, the Retail Offering and the Listing are estimated to amount to approximately 7,000,000.

Why is this Prospectus being produced?

Background to the Prospectus and the Listing..... This Prospectus is being produced in connection with the listing of the Shares on the Oslo Stock Exchange.

Compared to the Oslo Stock Exchange's main list, liquidity in the shares trading on Euronext Growth Oslo is generally limited. Further, the set of rules and regulations pertaining to Euronext Growth Oslo, including financial reporting obligations and other continuing obligations, are less extensive than those pertaining to the Oslo Stock Exchange's main list, being a regulated market. As a result of, inter alia, these factors, many investors choose not to invest in companies listed on Euronext Growth Oslo. To facilitate greater liquidity in the Shares and attracting new prospective shareholders in order to build a more diversified shareholder base, the Company has decided to transfer its shares from Euronext Growth Oslo to the Oslo Stock Exchange.

Main objectives of the Listing..... The Company further believes that the Listing will lead to an enhanced profile with investors, business partners, suppliers and customers. The Company's main objectives with the Listing are:

- improve the Company's profile towards investors, banks, business partners, suppliers and customers;
- maintain and develop a strong and supportive shareholder base;
- improve the Company's access to equity capital to enable the Company to develop and respond to attractive opportunities;
- enhance the access to the capital markets to finance the scaling-up of the Group's business in new markets;
- support fair valuation of the Shares; and
- further improve the ability of the Group to attract and retain key management and employees.

Use of proceeds..... The net proceeds from the Retail Offering will be used for general corporate purposes.

Conflicts of interest..... There are no material conflicts of interest pertaining to the Listing.

1.2 Swedish

Denna separata kopia av avsnittet "Sammanfattning" i det prospekt som Capsol Technologies ASA publicerade den 24 maj 2024 tillhandahålls enligt den norska lagen om värdepappershandel i dess nuvarande lydelse (No. lov 29. juni 2007 nr. 75 om verdipapirhandel) och tillhörande sekundärlagstiftning, inklusive Europaparlamentets och rådets förordning (EU) 2017/1129 av den 14 juni 2017 i dess nuvarande lydelse som har införlivats i Norge i enlighet med avsnitt 7-1 i den norska lagen om värdepappershandel ("Prospektförordningen"), och utgör ej något erbjudande avseende värdepapper i Capsol Technologies ASA. Sådant erbjudande lämnas endast genom prospektet. Investerare uppmanas att läsa prospektet innan ett investeringsbeslut fattas för att fullt ut förstå de potentiella risker som är förenade med ett beslut att investera i värdepapperen (se avsnitt 2 "Risk factors" i prospektet). Se även "Important notice" på s. 2 och kapittel 19 "Definitions and glossary" i prospektet.

INLEDNING

<i>Varning</i>	Denna sammanfattning bör läsas som en introduktion till Prospektet. Varje beslut om att investera i Aktierna ska baseras på en bedömning av Prospektet i sin helhet från investerarens sida. En investering i Aktierna innebär en inneboende risk och investeraren kan förlora hela eller delar av sitt investerade kapital. Om talan väcks vid domstol med anledning av informationen i Prospektet kan den investerare som är kårande i enlighet med nationell lagstiftning bli tvungen att betala kostnaderna för översättning av Prospektet innan de rättsliga förfarandena inleds. Civilrättsligt ansvar kan endast åläggas de personer som lagt fram sammanfattningen, inklusive eventuella översättningar därav, och endast om sammanfattningen, läst tillsammans med de andra delarna av Prospektet, är vilseledande, felaktig eller inkonsekvent eller om den, läst tillsammans med de andra delarna av Prospektet, utelämnar väsentlig information som kan hjälpa investerare att överväga om de ska investera i sådana värdepapper.
<i>Värdepapperen</i>	Bolaget har endast ett utestående aktieslag. Aktierna är registrerade i kontoförd form med den norska värdepapperscentralen (No.: "Verdipapirsentralen") och har ISIN-nummer NO0010923121.
<i>Emittenten</i>	Capsol Technologies ASA är registrerat i det norska företagsregisteret (No.: "Foretaksregisteret") med organisationsnummer 914 620 457 och den registrerade adressen är Drammensveien 126, 0277 Oslo, Norge. Bolagets Legal Entity Identifier (LEI) är 549300WYBNH1T16J8V12. Bolagets webbplats finns på www.capsoltechnologies.com och telefonnumret är (+47) 466 71 873.
<i>Behörig myndighet för godkännande av Prospektet</i>	Finansinspektionen i Norge (No.: «Finanstilsynet»), med organisationsnummer 840 747 972 och registrerad adress Revierstredet 3, 0151 Oslo, Norge, och telefonnummer (+47) 22 93 98 00.
<i>Datum för godkännande</i>	24 maj 2024

NYCKELINFORMATION OM EMITTENTEN

Vem är emittent av värdepapperen?

<i>Bolagsinformation</i>	Bolaget är ett publikt aktiebolag som är bildat och existerar enligt norsk lag i enlighet med den norska lagen om publika aktiebolag (No.: "Allmennaksjeloven"). Bolaget bildades den 8 december 2014 som ett privat aktiebolag och omvandlades till ett publikt aktiebolag efter den extra bolagsstämman som hölls den 27 september 2023. Bolagets Legal Entity Identifier (LEI) är 549300WYBNH1T16J8V12. Bolaget har sitt säte i Oslo, Norge.
<i>Huvudsaklig verksamhet</i>	Koncernen utvecklar och tillhandahåller tekniska lösningar för avskiljning av koldioxid (koldioxidavskiljning) från storskaliga punktutsläppskällor.

Idag marknadsförs dessa lösningar under de registrerade varumärkena CapsolEoP® och CapsolGT®. Lösningarna kommer att levereras till kunderna genom att tillhandahålla ett processdesignpaket som fungerar som en ritning för att konstruera och bygga anläggningar för koldioxidavskiljning. Vidare stödjer Koncernen koldioxidutsläppare med att utveckla sina koldioxidavskiljningsprojekt mot slutligt investeringsbeslut (En.: "Final Investment Decision (FID). genom att tillhandahålla mobila demonstrationsenheter tillsammans med demonstrationsprogram under det registrerade varumärket CapsolGo®, samt ingenjörstjänster och rådgivning kring val av samarbetspartners i värdekedjan och projektintegration. De ingenjörstjänster som koncernen tillhandahåller omfattar försäljningsteknik, genomförbarhetsstudier och underlag till tidiga tekniska studier.

Större aktieägare.....

Aktieägare som äger 5% eller mer av Aktierna har ett intresse i Bolagets aktiekapital som är anmälningspliktigt enligt den norska lagen om värdepappershandel (No.: "Verdipapirhandelloven"). I följande tabell anges de aktieägare som äger 5 % eller mer av aktierna i Bolaget per dagen för detta Prospekt.

#	Aktieägare	Antal aktier	Procent
1	REDERIAKTIESELSKAPET SKRIM	9 546 474	15,77%
2	SEOTO AS	5 172 677	8,54%
3	AQUILA HOLDING INVESTMENT AS	4 033 188	6,66%

Ledande befattningshavare.....

Bolagets ledningsgrupp består av sex personer. Namnen på de ledande befattningshavarna och deras respektive befattningar framgår av tabellen nedan.

Namn	Nuvarande ställning i Bolaget
Wendy Lam	Chief Executive Officer (CEO)
Ingar Bergh	Chief Financial Officer (CFO)
Tone Bekkestad	Chief Marketing Officer (CMO)
Cato Christiansen	Chief Technology Officer (CTO)
Johan Jungholm	Chief Commercial Officer (CCO)
Philipp Staggat	Chief Product Officer (CPO)

Lagstadgad revisor.....

Koncernens oberoende revisor är RSM Norge AS, med organisationsnummer 982 316 588 och registrerad verksamhetsadress Ruseløkkveien 30, 0251 Oslo, Norge.

Finansiell nyckelinformation för emittenten

Sedan noteringen av bolaget på Euronext Growth Oslo i december 2021 har Koncernen upprättat och rapporterat koncernredovisning i enlighet med NGAAP (enligt definitionen nedan) för "Övriga företag" (No.: "GRS Øvrige foretak"). Med verkan från år 2023 har Koncernen övergått till IFRS® Accounting Standards (IFRS) som godkänts av EU (enligt definitionen nedan), varför koncernredovisningen för räkenskapsåret som slutade den 31 december 2023 har upprättats i enlighet med IFRS. Som en del av övergången till IFRS och i samband med Noteringen har Koncernen vidare upprättat koncernredovisning för räkenskapsåren som avslutades den

31 december 2022 och 2021 i enlighet med IFRS, för att presentera tre år av konsekvent finansiell information i enlighet med IFRS. Koncernens konsoliderade finansiella rapporter (Årsredovisningarna såsom definierat nedan) för räkenskapsåren som avslutades den 31 december 2023, 2022 och 2021 har reviderats av koncernens revisor RSM, vars oberoende revisionsberättelse ingår i dessa. Vidare har Koncernen upprättat en delårsrapport i enlighet med IAS 34 per och för tremånadersperioderna som slutade den 31 mars 2024 och 31 mars 2023 (Delårsrapporterna såsom definierat nedan), vilka är oreviderade men har varit föremål för översiktlig granskning av RSM.

Tabellerna nedan visar finansiell nyckelinformation hämtad från Koncernens reviderade Årsredovisningar per och för räkenskapsåren som avslutades den 31 december 2023, 2022 och 2021 samt från de oreviderade Delårsrapporterna per och för tremånadersperioderna som avslutades den 31 mars 2024 och 31 mars 2023.

Resultaträkningsposter

(Belopp i NOK)	Tremånadersperioden som slutade 31 mars	
	2024	2023
Totala intäkter	19 507 840	876 108
Rörelseresultat	(5 697 086)	(12 598 822)
Nettoresultat	(7 934 351)	(13 024 793)

Balansräkningsposter

(Belopp i NOK)	Tremånadersperioden som slutade 31 mars		Räkenskapsår som slutade 31 december		
	2024	2023	2023	2022	2021
Summa tillgångar	202 600 007	100 663 028	145 727 285	102 298 915	97 713 632
Summa eget kapital	110 092 589	60 507 074	33 924 453	71 694 043	87 108 611
Summa skulder	92 507 417	40 155 955	111 802 832	30 604 872	10 605 021

Kassaflödesposter

(Belopp i NOK)	Tremånadersperioden som slutade 31 mars		Räkenskapsår som slutade 31 december		
	2024	2023	2023	2022	2021
Kassaflöde från löpande verksamheten	(18 145 301)	(5 315 163)	(4 901 300)	(32 023 483)	(14 607 467)
Kassaflöde från investeringsverksamheten	(2 556 750)	(15 912 705)	(51 299 634)	(22 125 351)	(2 964 720)
Kassaflöde från finansieringsverksamheten	75 546 679	(1 674 968)	39 168 097	30 570 523	101 940 274

Specifika nyckelrisker for emittenten

Väsentliga riskfaktorer.....

- Det finns en risk att Koncernen investerar i att skala upp sin personalstyrka/verksamhet snabbare än dess förmåga att möta förväntade intäkter, vilka baseras på antaganden om marknadsaktivitet och -tillväxt, reglering och konkurrens. Tekniska studier som Koncernen har inlett kanske inte leder till licensavtal eller intäkter, i synnerhet om Koncernen inte lyckas uppnå sina mål för prestanda och kostnader.
- Projekt som har tecknat licensavtal med Koncernen kanske inte når FID och därmed misslyckas med att generera intäkter för Koncernen.

- Koncernen är exponerad för risker relaterade till skyddet av dess immaterialrättsligt skyddade teknik (IPR). Det finns en risk att Koncernens nuvarande eller framtida patent eller patentkrav löper ut eller ogiltigförklaras, kringgås, ifrågasätts eller överges.
- Det kan uppstå (projekt)-specifika eller allmänna tekniska utmaningar vid byggandet av storskaliga anläggningar i samband med konstruktion, installation och drift av anläggningen för avskiljning av koldioxid.
- Koncernen är exponerad för risker relaterade till statlig eller annan icke-kommersiell finansiering, licenser, myndighetsgodkännanden och olika offentliga policyer. Det finns en risk att Koncernen, eller Koncernens kunder, inte kommer att erhålla nödvändiga licenser eller godkännanden, eller att erhållande av sådana licenser eller godkännanden kommer att kräva betydande resurser från Koncernen eller dess kunder, vilket i sin tur kan ha en negativ inverkan på Koncernens finansiella ställning, verksamhet och resultat.
- Koncernen är exponerad för legala och regulatoriska risker. Koncernen och dess kunder, leverantörer och samarbetspartners är föremål för lagar och förordningar som gäller för deras bransch. Förändringar i regleringar eller myndighetspolicy, eller införande av nya regleringar, kan begränsa Koncernens tillgång till marknaden eller öka kostnaderna för produktion, efterlevnad och utveckling av Koncernens produkter, vilket i sin tur kan ha en negativ inverkan på Koncernens verksamhet, resultat och finansiella snällning.
- Koncernen är exponerad för risker relaterade till finansiering av verksamheten. Om finansieringen skulle vara otillräcklig vid någon tidpunkt i framtiden kan Koncernen vara oförmögen att bland annat finansiera förvärv, dra nytta av affärsmöjligheter eller svara på konkurrenstryck, vilket kan ha en negativ inverkan på Koncernens finansiella ställning och resultat. Bristande förmåga att erhålla tillräcklig finansiering i framtiden kan leda till insolvens eller likvidation av Koncernen.
- Koncernens låneavtal innehåller villkor för gröna lån som kan begränsa Koncernens möjlighet att bedriva vissa aktiviteter. Vid brott mot dessa villkor kan Koncernens lån komma att omklassificeras från ett "grönt" lån till ett vanligt lån, vilket ökar räntan med minst 10 räntepunkter. Detta kan i sin tur ha en negativ inverkan på Koncernens resultat eller framtidsutsikter på längre sikt.

NYCKELINFORMATION OM VÄRDEPAPPERN

Värdepapperens viktigaste egenskaper

<i>Typ, klass och ISIN.....</i>	Samtliga aktier är stamaktier i Bolaget och har skapats i enlighet med den norska lagen om publika bolag (No.: "Allmennaksjeloven"). Aktierna är registrerade i kontoförd form hos den norska värdepappercentralen (No.: "Verdipapircentralen" (VPS)) och har ISIN-nummer NO 0010923121.
<i>Valuta, nominellt värde och antal</i>	Aktierna kommer att handlas i NOK på Oslobörsen. Per dagen för detta Prospekt uppgår Bolagets aktiekapital till 30 269 334,50 NOK fördelat på 60 538 669 Aktier, var och en med ett kvotvärde om 0,50 NOK.

Rättigheter sammanhängande med värdepapperen..... Bolaget har ett aktieslag och i enlighet med den norska lagen om publika bolag (No.: "Allmenaksjeloven") ger alla aktier i det aktieslaget lika rätt i Bolaget, inklusive rätt till utdelning. Var och en av Aktierna har en röst.

Överlåtelsebegränsningar..... Aktierna är fritt överlåtbara. Bolagsordningen innehåller inga restriktioner för överlåtelse av aktier eller någon förköpsrätt till aktier. Aktieöverlåtelser behöver inte godkännas av Styrelsen.

Utdelning och utdelningspolicy..... Bolagets utdelningspolicy är att betala utdelningar som återspeglar det underliggande resultatet och kassaflödet och samtidigt säkerställa en effektiv kapitalallokering i Koncernen. Vid beslut om utdelningsnivå kommer Styrelsen bland annat att beakta investeringsplaner, finansieringsbehov och upprätthållande av lämplig strategisk flexibilitet. Den 27 september 2023 beslutade Bolaget att genomföra en minskning av aktiekapitalet, i enlighet med avsnitt 12-5 och 12-1 i den norska lagen om privata aktiebolag (No: "Allmennaksjeloven"). Kapitalminskningen registrerades i det norska näringslivsregistret den 10 oktober 2023. Eftersom kapitalminskningen genomfördes utan borgenärsmeddelande kan en utdelning inte beslutas av Bolaget förrän tre år har gått från registreringsdatumet, såvida inte aktiekapitalet därefter har ökat med ett belopp som minst motsvarar minskningen.

Var kommer värdepapperen att handlas?

Upptagande till handel..... Aktierna har tagits upp till handel på Euronext Growth Oslo, en multilateral handelsplattform som drivs av Oslobörsen, under kortnamn (ticker) "CAPSL" med ISIN NO 0010923121. Den 22 april 2024 ansökte Bolaget om att Aktierna skulle tas upp till handel och noteras på Oslobörsen huvudlista. Bolagets ansökan om notering godkändes av Oslobörsen den 24 maj 2024. Vid noteringen kommer Aktierna att avregistreras och överföras från Euronext Growth Oslo och tas upp till handel på Oslobörsen.

Vilka nyckelrisker är specifika för värdepapperen?

Väsentliga riskfaktorer.....

- I samband med den Riktade Placeringen (the Private Placement) har styrelseledamöter och ledande befattningshavare, liksom Bolagets största aktieägare Rederiaktieselskapet Skrim AS, ingått sedvanliga lock-up-åtaganden med SpareBank 1 Markets AS och Pareto Securities AS ("Managers") för en period om 180 dagar efter att den Riktade Placeringen har slutförts. När dessa lock-up-arrangemang löper ut, eller om de frångås eller sägs upp av Managers, kan de Aktier som är föremål för lock-up-arrangemangen komma att säljas fritt och bli tillgängliga för försäljning på den offentliga marknaden eller på annat sätt, vilket kan påverka aktiekursen.
- En investering i Aktierna är förknippad med en hög grad av risk och priset på Aktierna kanske inte utvecklas gynnsamt. Aktiekurserna för företag som är upptagna till handel på Oslobörsen kan vara mycket volatila och handelsvolymen och priset för Aktierna kan fluktuera avsevärt och kanske inte återspegla det underliggande tillgångsvärdet för Bolaget.
- Framtida emissioner av aktier, utnyttjande av optioner eller köpoptioner eller andra värdepapper i något annat syfte kan späda ut befintliga aktieägares ägarandel och kan väsentligt påverka marknadspriset på Aktierna.

NYCKELINFORMATION OM ERBJUDANDE AV VÄRDEPAPPER TILL ALLMÄNHETEN OCH UPPTAGANDET TILL HANDEL PÅ EN REGLERAD MARKNAD

På vilka villkor och enligt vilken tidsplan kan jag investera i detta värdepapper?

*Villkor och anvisningar för
Erbjudandet.....*

Erbjudandet består av en nyemission om upp till 2 250 000 Erbjudandeaktier, var och en med ett nominellt värde om 0,50 NOK.

Erbjudandepriiset som ska betalas för varje Aktie i Erbjudandet kommer att fastställas till en rabatt om 10 % jämfört med det lägsta av (i) det volymvägda genomsnittspriset för Aktierna på Euronext Growth Oslo under Anmälningssperioden (Sju handelsdagar mellan den 28 maj 2024 och den 5 juni 2024), och (ii) det volymvägda genomsnittspriset för Aktierna på Euronext Growth Oslo på den sista dagen i Anmälningssperioden (Ett handelsdag den 5 juni 2024). Det slutliga Erbjudandepriiset kommer att avrundas nedåt till närmaste tiondel. Det slutliga Erbjudandepriiset kommer att meddelas i samband med offentliggörandet av utfallet i Erbjudandet efter att Anmälningssperioden stängts.

Erbjudandeaktierna erbjuds till allmänheten i Norge och Sverige med förbehåll för ett lägsta belopp per anmälan om 10 500 NOK och en högsta gräns per anmälan om 2 000 000 NOK för varje investerare. Flera anmälningar från en och samma investerare i Erbjudandet kommer att behandlas som en anmälan med avseende på den högsta gränsen för anmälningar.

Tidplan för Erbjudandet....

Nedanstående tidplan innehåller vissa preliminära nyckeldatum för Erbjudandet (med förbehåll för förlängningar):

Tidplan	Viktiga datum
Anmälningssperioden inleds	28 maj 2024 kl. 09:00 CEST
Anmälningssperioden avslutas	5 juni 2024 kl. 16:30 CEST
Offentliggörande av utfall i Erbjudandet	På eller omkring 5 juni 2024
Meddelande om tilldelning i Erbjudandet	På eller omkring 6 juni 2024
Betalningsdatum i Erbjudandet	På eller omkring 10 juni 2024
Registrering av nytt aktiekapital hänförligt till Erbjudandet	På eller omkring 18 juni 2024
Leverans av Erbjudandeaktierna i Erbjudandet	På eller omkring 19 juni 2024
Inledande av handel med Aktierna på Oslobörsen	På eller omkring 19 juni 2024

Observera att Bolaget, tillsammans med Managers, förbehåller sig rätten att förlänga Anmälningssperioden efter eget gottfinnande. I händelse av en förlängning av Anmälningssperioden kan tilldelningsdagen, förfallodagarna för betalning och dagen för leverans av Erbjudandeaktierna komma att ändras i enlighet därmed, men dagen för Notering och inledande av handel på Oslobörsen kommer inte nödvändigtvis att ändras.

Upptagande till handel.....

Den 22 maj 2024 ansökte Bolaget om upptagande till handel av Aktierna på Oslobörsen. Handeln med Aktierna på Oslobörsen förväntas inledas omkring den 19 juni 2024 under kortnamnet "CAPSL". Aktierna kommer vid noteringen att avregistreras från Euronext Growth Oslo. Bolaget har inte ansökt om upptagande till handel av Aktierna på någon annan börs, reglerad marknad eller multilateral handelsplattform (MTF).

Fördelningsplan..... Ingen tilldelning kommer att göras i Erbjudandet för ett antal Erbjudandeaktier som representerar ett sammanlagt värde understigande 10 500 NOK per anmäld tecknare.

Bolaget förbehåller sig rätten att, i samråd med Managers, begränsa det totala antalet tecknare till vilka Erbjudandeaktier tilldelas i Erbjudandet om Bolaget bedömer att detta är nödvändigt för att hålla antalet aktieägare i Bolaget på en lämplig nivå. Om Bolaget skulle besluta att begränsa det totala antalet tecknare till vilka Erbjudandeaktier tilldelas, kommer de tecknare till vilka Erbjudandeaktier tilldelas att bestämmas slumpmässigt med hjälp av automatiserade simuleringsförfaranden och/eller andra slumpmässiga tilldelningsmekanismer.

Utspädning..... Emissionen av Erbjudandeaktierna i Erbjudandet kan resultera i ett högsta antal Aktier i Bolaget om 62 788 669, vilket motsvarar en utspädning för befintliga aktieägare om cirka 3,58 %. Detta är baserat på antagandet att Bolaget emitterar det maximala antalet Erbjudandeaktier på det Illustrativa Erbjudandepriiset och att ingen av de befintliga aktieägarna tecknar några Erbjudandeaktier i Erbjudandet.

Totala kostnader i samband med Noteringen och Erbjudandet..... Bolagets totala kostnader för, och i samband med, Erbjudandet och Noteringen beräknas uppgå till cirka NOK 7 000 000.

Varför upprättas detta Prospekt?

Bakgrund till Prospektet och Noteringen Detta Prospekt upprättas i samband med noteringen av aktierna på Oslobörsen.

Jämfört med Oslobörsens huvudlista är likviditeten i de aktier som handlas på Euronext Growth Oslo generellt begränsad. Vidare är de regler och föreskrifter som gäller för Euronext Growth Oslo, inklusive krav på finansiell rapportering och andra fortlöpande skyldigheter, mindre omfattande än de som gäller för Oslobörsens huvudlista, som är en reglerad marknad. Till följd av bland annat dessa faktorer väljer många investerare att inte investera i bolag noterade på Euronext Growth Oslo. För att underlätta ökad likviditet i Aktierna och attrahera nya potentiella aktieägare i syfte att bygga en mer diversifierad aktieägarbas har Bolaget beslutat att överföra sina aktier från Euronext Growth Oslo till Oslobörsen.

Motiv för Noteringen..... Bolaget anser vidare att Noteringen kommer att leda till en förbättrad profil hos investerare, affärspartners, leverantörer och kunder. Bolagets huvudsakliga mål med Noteringen är att:

- förbättra Bolagets profil gentemot investerare, banker, affärspartners, leverantörer och kunder;
- bibehålla och utveckla en stark och stödjande aktieägarbas;
- förbättra Bolagets tillgång till aktiekapital för att göra det möjligt för Bolaget att utveckla och ta tillvara attraktiva möjligheter;
- förbättra tillgången till kapitalmarknaderna för att finansiera uppskalningen av Koncernens verksamhet på nya marknader;
- stödja en rättvis värdering av Aktierna; och
- ytterligare förbättra Koncernens förmåga att attrahera och behålla nyckelpersoner i ledningen och anställda.

Utnyttjande av emissionslikvid...

Nettolikviden från Erbjudandet kommer att användas för Bolagets löpande verksamhet.

Intressekonflikter.....

Det föreligger inga väsentliga intressekonflikter med anledning av Noteringen.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risks. Before making an investment decision in respect of the Shares, potential investors should carefully consider the risk factors and all information contained in this Prospectus, in addition to the Financial Information and related notes. The risks and uncertainties described in this Section 2 “Risk factors” are not intended to be exhaustive, but only intended to highlight the principal known risks and uncertainties faced by the Group as at the date hereof, and that the Company believes are relevant for an investment in the Shares. Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Group’s business, financial condition, results of operations and cash flow.

An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties described are not a genuine potential threat to an investment in the Shares. If any of the following risks were to materialise, individually or together with other circumstances, they could have a material adverse effect on the Group and its business, results of operations, cash flow, financial condition or prospects, which may cause the value of the Shares to deteriorate, resulting in the loss of all or part of an investment in the same.

Additional risks and uncertainties that the Company currently believes are immaterial, or that are currently not known to the Company, may also have a material adverse effect on the Group’s business, financial condition, results of operations and cash flow. The order in which the risks are presented below is not intended to provide an indication of the likelihood of their occurrence nor of their severity or significance.

The risk factors described in this Section 2 “Risk factors” are sorted into a limited number of categories, where the Company has sought to place each individual risk factor in the most appropriate category based on the nature of the risk it represents. The risks that are assumed to be of the greatest significance are described first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, and the fact that a risk factor is not mentioned first in its category does not in any way suggest that the risk factor is less important when taking an informed investment decision. The risks mentioned herein could materialise individually or cumulatively.

The information in this Section 2 “Risk factors” is as of the date of this Prospectus.

2.1 Risks related to the Group’s industry and business

2.1.1 *The Group may be unsuccessful in scaling up its business*

The Group has a proven patented technology that is commercially viable and is currently generating revenues. At the same time, the Group is working to scaling its business in order to generate positive cash flow from operations and a positive net result. In this respect, there is a risk that the Group may invest in scaling its workforce/activities faster than its ability to meet projected revenues, which are based on assumptions of market activity and growth, regulation, and competition. The Group may also experience difficulties in scaling its business to a sufficient level of commercialisation, or in generating sufficient revenues, to the extent targeted by the Group.

The Group has entered into a number of engineering studies, comprising concept, feasibility and pre-front-end engineering and design (“FEED”) studies, with paid engineering work or other project-specific work

with third parties. While such studies will typically provide the Group with a positive margin, the aim for the Group is to convert these paid studies into licence agreements which typically starts generating revenue when the customers make a Final Investment Decision (“FID”) for its project. When and if the customers make such an investment decision, the Group will earn a one-time license fee from the customer’s use of the Group’s patented technology.

While several customers have indicated an interest in entering into such license agreements, there is a risk that the engineering studies the Group has entered into may not materialise into licence agreements, or FID’s being delayed. This could occur from various external factors, including challenges with environmental permitting, storage, third-party equipment suitability, or internal factors, such as issues pertaining to the Group’s ability to deliver the targeted performance and cost metrics. The current contract portfolio of the Group is largely related to preliminary and initial testing and studies. Whether the Group’s customers will decide to invest in the Group’s technology depends on several factors, hereunder the risk of competing or alternative technology becoming available on the market by third parties. It is therefore a risk that the Group does not achieve subsequent technology licensing agreements with these customers, which is necessary to establish a viable cash-flow and commercial success related to the Group’s technology. As of the date of this Prospectus, the Group has entered into three technology licensing agreements. The agreements are at varying stages of maturity and are contingent on factors such as technology choice and FID. The current operational income of the Group is thus limited and with uncertain financial projections.

As part of the growth plan, the Group is also establishing a US office and the Private Placement (as mentioned in Section 4.1.1 “The Private Placement” below) was undertaken in part to develop and fund the Group’s future business in North America. The limited number of internal resources currently familiar with the North American carbon capture market represents a potential challenge to the successful implementation of the Group’s business plan. In addition, a potential change in government administration in the United States may affect subsidies, funding and grants and may entail a risk to the Group’s potential expansion into the North America. Hence, while the Group will take care to expand in a measured way, there is a risk that the Group may expand too aggressively in North America while revenues may come later than expected, or revenues may be insufficient to support the strategic initiative.

Without successful scaling, the Group may experience stagnation in revenue growth, which may limit its ability to invest in new opportunities and maintain competitive advantage. Unsuccessful efforts to scale often result in increased operating costs without a corresponding increase in revenues, leading to reduced profit margins. Failure to scale the Group’s business may also adversely affect the Group’s investor relations, strategic capabilities, and long-term sustainability.

2.1.2 The Group is subject to counterparty risk

The Group’s future success in licensing its patented technology entails substantial counterparty risk. Both the timing and amount payable to the Group in accordance with license agreements are related to events outside the Group’s control, such as FID’s and other project milestones, and thus there is a risk related to the predictability of these payments.

Any future revenue from projects for development and demonstration of carbon capture plants, development of technologies and solutions using the Group’s carbon capture technology solutions are dependent on various parties entering into binding agreements with further details on the terms and conditions for such cooperation. Such binding agreements may not materialise, or such agreements may be entered into on terms and conditions unfavourable to the Group, which may have an impact on the

Group's future earnings and financial position. Any future business and scale up for the Group based on the projects is dependent on successful cooperation, third party deliverables and the projects maturing in accordance with the Group's expectations.

The Group is also dependent on other service providers as sub-contractors to execute its projects. There is a risk that such sub-contractors, who typically provide engineering services and equipment for the Group's demonstration units, do not perform the required work due to capacity, technical, financial, or other reasons. This can impact the Group's performance on engineering studies and decisions on licensing agreements by its customers. Suppliers within the industry in which the Group operates are limited and the Group may not be able to engage technologically or commercially suitable sub-contractors or partners to secure contracts and execute the business as anticipated.

2.1.3 Risk related to the protection of proprietary technology (IPR)

The Group's success depends on ownership to the current intellectual property owned by the Group, and upon its ability to protect its intellectual property going forward. To accomplish this, the Group relies on a combination of registered intellectual property rights and trade secrets. Ownership of certain intellectual property (hereunder patents) currently owned and used by the Group, is largely based on acquisition of existing patents from third parties – including from a bankruptcy estate.

Since the Group acquired the patents, there is a risk related to the Group's chain of title to patents, and thereby also a risk of potential infringement claims. The risk regarding the chain of title is related to the fact that the patents have not been developed by employees of the Group. In companies where inventions are made by the company's own employees, and subsequently patented by the employer/company, the chain of title is normally more secure and reliable. In such situations, the employer/company normally has ensured sufficient regulations regarding ownership to inventions and patents made by the employee in the employment agreement. In addition, an employer/company which is in the process of applying for patent registration of an invention made by an employee, normally also ensures a separate assignment agreement transferring any and all rights to the relevant invention to the employer/company. Seeing as the Group has achieved ownership to its patents by way of acquisition, the Group does not have full insight regarding chain of title to the patents prior to the acquisition. Ownership to patents by way of acquisitions, which is the case regarding the Group, will therefore often indicate a higher risk related to the chain of ownership. However, since the Group became owner of, and has acted as owner of, the relevant patents since 2015 the risk is considered low as potential claims assumingly would have been put forward by now.

The extent of the Group's intellectual property rights may vary in different countries and effective protection of the Group's intellectual property rights may be unavailable, limited or not applied in some countries or for some technology. Consequently, the Group may be unable to prevent third parties from using its inventions in certain countries, especially in jurisdictions offering no or little protection of intellectual property rights, or in jurisdictions where enforcement may be difficult.

There is a risk that the Group's present or future patents or patent claims may lapse or be invalidated, circumvented, challenged, or abandoned, and also if any pending or future patent applications will be issued or have the coverage originally sought, or whether the Group's intellectual property rights will be enforced in jurisdictions where competition may be intense or where legal protection may be weak. In addition, competitors or others may design around the Group's protected patents or technologies, and the Group may fail to develop new patents to stay competitive.

In addition to registered patents, the Group also relies on, or will rely on, contractual protections with partners, customers, suppliers, distributors, employees and consultants, and security measures designed to protect the Group's trade secrets. However, it is, and will continue to be, a risk related to whether these contractual protections and security measures are sufficient or may be breached, and that the mentioned protection may not provide the Group with adequate remedies for such breach, or that partners, customers, suppliers, employees, or consultants will assert rights to intellectual property arising out of such contracts. Monitoring unauthorised use of intellectual property is difficult and costly. The Group could also face claims of intellectual property infringement, which could be time-consuming, costly to defend or settle, resulting in the loss of significant rights, harm relationships with partners, customers, and distributors, or otherwise materially adversely affect the Group's business, financial condition, and results of operations.

2.1.4 Dependence on key employees, personnel, and partners

The Group's business is of a technical nature and requires specialised and skilled personnel in this sector. The Group is continuously considering hiring additional resources to further grow its business, and an inability to retain and attract skilled employees could have a negative adverse impact on the Group's operations, earnings, and financial position. The loss of one or more key executives or key employees, or an inability to recruit relevant new personnel, might also impede or delay the achievement of the Group's development and commercial objectives. As the industry in which the Group operates is expected to experience rapid growth, the Group's key personnel are also likely to be subject to competing employment offers and are attractive to the Group's competitors. Any failure to retain or attract such personnel could result in the Group not being able to successfully implement its business plan which could have a material and adverse effect on the Group's business, financial condition, or results of operations. Furthermore, any failure to effectively integrate new personnel could prevent the Group from successfully growing.

The Group has entered into some third-party collaboration agreements. The Group intends to source e.g., engineering services and fabrication/construction services from third parties and such subcontractors' ability to perform the required work may have an impact on the Group's performance towards its counterparties and partners.

2.1.5 Inherent technical risks

While the Group has proven the viability of its technological solutions and currently operates demonstration units with potential customers to showcase the effectiveness of the technology, inherent technical risks persist within the Group's business. To date no large-scale commercial facility using the Group's technology has been built, and while the technology is a combination of proven technologies and has been implemented in demonstration units and in engineering studies, there may occur project-specific or general engineering challenges in building large scale plants related to the construction, installation, and operational performance of the carbon capture facility.

There are several risks that are associated with the engineering and FID of novel technologies such as carbon capture plants. These risks include but are not limited to, potential project delays, failure to meet agreed specifications (including performance guarantees), early termination of contracts by customers and suppliers, the possibility of changes to the scope of work and amendments due to design alterations resulting in delays and increased costs. While these risks are not exclusive to the Group's technology, they are inherent in the implementation of novel technologies. Lack of familiarity with the technology by customers may prolong the time required to fully assess the Group's technology solutions or lead to other delays in decision-making.

Although the Group's technology is proven in many aspects, the Group is on a continuous basis developing its technology and it is expected that additional development is necessary to deliver longer-term on the Group's business plan. The current engineering process design is continuously being improved upon based on learnings from each customer project and test campaigns from demonstration units and other lab studies. There is a risk that actual plant operability and constructability differ from current simulations and engineering study work. These differences would require the Group to update future plant designs and can be a risk in achieving process guarantees promised to the Group's customers in licensing agreements. While the Group is aware of these risks and implemented risk-mitigating measures, their materialisation could adversely impact the Group's operations, earnings, and financial position.

2.1.6 Risks relating to government or other non-commercial funding, licenses, governmental approvals and various public policies

The realisation of carbon capture projects typically requires significant investments. Investments will to a large extent be dependent upon government policies and support, including a regulatory framework which provides incentives for the industries to invest in CCUS (as defined below) initiatives.

The policies for government incentives are still under development and vary in the jurisdictions in which the Group intends to operate. Changes in the relevant authorities' policies and willingness to support CCUS projects may be critical to the Group's ability to attract customers and execute its business plan.

An example of such policies is the Inflation Reduction Act from August 2022 ("**IRA**") in the United States. As a part of this legislation companies capturing and sequestering CO₂ from point source emitters are awarded a tax credit of 85 USD per ton. The Group is under the impression that this specific policy has wide political support (bi-partisan support), however, such policies are always subject to change and modification, especially with changes in political leadership.

The Group is subject to a wide variety of laws and regulations and may be dependent on governmental licenses and approvals to commence and continue its operations. There is a risk that the Group, or the Group's customers, will not obtain the necessary approvals, or that obtaining such approvals will require significant resources from the Group or its customers, which in turn may negatively impact the Group's financial position, operations, and results. Furthermore, there is a risk that the relevant governments may change the requirements for obtaining such licenses, rendering it more expensive, difficult, or even impossible for the Group or its customers to obtain the necessary approvals.

2.1.7 The Group is exposed to risks relating to the availability of certain goods and materials

The Group's objective is for the main revenue stream to be the provision of comprehensive process and design packages, leveraging the Group's patented technology, for integration into full-scale CCS plants, in exchange for a technology licensing fee. The Group's business is dependent on access to a wide range of industrial equipment such as compressors and heat exchangers as well as the solvent potassium carbonate for its offered carbon capture solutions. It is also important to note that CapsolGo®, the Group's mobile demonstration units, rely on specific goods and materials to function effectively.

If the Group does not gain access to necessary materials, parts, and components, such as spare parts, maintenance parts, chemicals, from its external suppliers, there is a risk that the Group may not be able to meet the expected growth and realise its backlog and pipeline. Also, unavailability to materials such as stainless steel, compressor expanders, steam compressors and other large-scale components may have impact on both the Group's installations and sites. The main drivers for the unavailability of key goods for

CapsolGo® are likely to stem from global supply chain constraints, primarily associated with supply backlogs and shortages of raw materials.

2.2 Risks related to laws and regulations

2.2.1 *Current laws and regulations may change rapidly*

The Group is exposed to legal and regulatory risks. Realisation of carbon capture projects, including the required infrastructure, is expensive and with limited prospects for short-term profit. The Group's investments will to a large extent be dependent upon government support and funding, and a regulatory framework which provides for incentives for the industries to invest in CCUS initiatives. For instance, the IRA provides critical updates which incentivizes the use of carbon capture and storage. Changes in such acts may affect the Group.

In the long term, CCUS may need to become less reliant on governmental subsidies. The perceived benefit of CCUS must over time exceed the customer's alternative cost, which normally relates to the CO₂ price in EU ETS scheme, local CO₂ tax levels, CO₂ tax credit schemes or other CO₂ policy regimes. Should such benefits not be realised, the Group may not be able to achieve positive cash flow in its operations. The policies for government incentives are still under development and vary in the jurisdictions in which the Group intends to operate. Changes in the relevant authorities' policies, including targets for reduction in CO₂ emission and regulations, and willingness to fund CCUS projects may, until the CCUS business becomes commercially viable on its own, be critical to the Group's ability to attract customers and execute its business plan and may have a material adverse effect on the Group's financial results and position.

The Group and its customers, suppliers and partners are all subject to laws and regulations with respect to their industry and the geographies in which they operate (Please see Section 6.3 "*Key markets*", Section 6.4 "*Key target industries*" and Section 7.8 "*Regulatory environment*" for details). Changes in regulations or government policy, or introduction of new regulations, could restrict the Group's market access or increase the costs of production, compliance, and development of the Group's products. Examples of this could be more stringent environmental permitting, regulations on technology standards, or other elements as the maturity of the carbon capture regulatory environment increases. Additionally, the authorities in the jurisdictions where the Group operates may introduce further regulations for the operations of production facilities which may negatively impact the Group directly or through its customers. These factors, in turn, could have an adverse effect on the Group's operations, earnings and financial position.

2.3 Risk related to the Group's financial position

2.3.1 *The Group may not be able to obtain sufficient funding*

The Group will not be able to deliver on its ambitions unless the Group manages to generate revenue and grow its business, especially with regards to securing a sufficient number of licences agreements generating revenue. The Group has historically operated with losses and while engineering work which so far has been delivered at cost plus and test campaigns which have been profitable to date combined could generate sufficient revenue for the Group to break even, it may need to raise additional funds through public or private debt or equity to continue its operations and execute the Group's business plan and growth strategy.

Adequate sources of capital funding might not be available when needed or may only be available on unfavourable terms. If funding is insufficient at any time in the future, the Group may be unable to, inter alia, fund acquisitions, take advantage of business opportunities or respond to competitive pressures, any

of which could adversely impact the Group's financial condition and results of operations. Lack of ability to obtain sufficient funding in the future could result in insolvency or liquidation of the Group.

2.3.2 The Group is exposed to currency risk

The Group's reporting currency is NOK. The Company operates globally and is, or is expected to, generating revenue and have expenses in other currencies than NOK. The Group is therefore exposed to fluctuation in foreign currency exchange rates. The most important foreign currencies to the Group today are SEK and EUR, in the future it is expected that the most important currencies will be EUR and USD. The Group's primary operational foreign currency risk is linked to fluctuations in the value of EUR versus NOK. Changes in currency rates could have a negative impact on the Group's competitive position and have a significant effect on the Group's operational income.

2.3.3 The Group is exposed to green loan covenants

The Group has entered into three green loan facilities with the Norwegian bank DNB, with maturity in 2027 and 2028. The Group's loan agreements include covenants that may limit the Group's ability to engage in certain activities, such as providing carbon capture demonstration plants for use in relation to the extraction, processing, or transportation of fossil fuels. By breaching these covenants, the Group's loan will be reclassified from a "green" loan to a regular loan, increasing the interest rate by a minimum of 10 basis points. This, in turn, may have an adverse effect on the Group's results of operations or prospects in the longer term.

2.3.4 The Group is exposed to interest rate fluctuations

The Group is exposed to interest rate fluctuations and has not entered any interest rate swaps agreement or other interest rate hedges to mitigate risk related to increase in the variable interest rate of its loans. As of the date of this Prospectus, the Group's loan agreements are based on the NIBOR and EURIBOR index plus a margin of 2.9% p.a. Increases in interest rates may result in an increase in the Group's interest expense associated with the loan agreements, reducing cash flow available for capital expenditures, and hindering its growth opportunities. Consequently, material movements in interest rates could have material adverse effects on the Group's cash flow and financial condition.

2.3.5 Risks relating to the Company's insurance coverage

The Company's insurance program is limited in both amount and coverage. Currently, the Company's insurance policies do not cover the Group's obligations to take out indemnity insurance to cover indemnity obligations under four lease agreements for the CapsolGo® demonstration units and a data sharing and engineering services agreement with Lafarge Cauldron Limited relating to a feasibility study & pre-FEED. Consequently, there is a risk that the Group could be held liable for claims based on the indemnity obligations. This could lead to substantial costs related to the claims, including damages, settlements, and legal fees. Large indemnity payouts can strain cash flow and affect the Group's ability to fund operations, invest in growth opportunities, or meet other financial commitments. Frequent or large claims may also lead to higher insurance premiums as insurers adjust for the increased risk. The Group might also need to renegotiate the lease agreements to limit future indemnity obligations, which could result in less favorable terms.

2.4 Risk related to the Listing and the Shares

2.4.1 Sale of Shares by existing shareholders may affect the share price

In connection with the Private Placement, members of the Board of Directors and the Management, as well as the Company's largest shareholder Rederiaktieselskapet Skrim AS, entered into customary lock-up undertakings with the Managers for a period of 180 days after completion of the Private Placement, as further described in Section 13.7 "*Lock-up arrangements*". When these lock-up arrangements expire, or if they are waived or terminated by the Managers, the Shares that are subject to the lock-up arrangements may be sold freely and become available for sale in the public market or otherwise. Sales of substantial amounts of the Shares in the public market, or the perception that such sales could occur, could adversely affect the market price of the Shares, and make it more difficult for holders to sell their Shares at a time and price that they deem appropriate.

2.4.2 Risks relating to the liquidity of the Shares and limitations on transfers of the Shares

The Group is currently in a growth phase and the popularity of the Shares may vary. An investment in the Shares is therefore associated with a high degree of risk and the price of the Shares may not develop favourably. Prior to the Listing, the Shares were admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by the Oslo Stock Exchange. There is no guarantee that an active and liquid trading market for the Shares will develop following the Listing and shareholders might find it challenging to sell their Shares or, even if they do, may not be able to obtain a satisfactory price for the Shares.

The share prices of companies admitted to trading on the Oslo Stock Exchange can be highly volatile and the trading volume and price for the Shares may fluctuate significantly and may not reflect the underlying value of the Company. A number of factors outside the Company's control may impact its performance and the price of the Shares, including but not limited to, adverse business and sector developments, changes in market sentiment regarding the Shares and/or the sectors the Group is operating in, the operating and share price performance of other companies in the industry in which the Group operates, changes in financial estimates and investment recommendations or ratings. Changes in market sentiment may be due to speculation about the Group's business in the media or investment community, changes to the Group's profit estimates (if such have been provided), the publication of research reports by analysts and changes in general market conditions. If any of these factors occur, it may have a material adverse effect on the pricing of the Shares. In recent years, the stock market has experienced instances of extreme price and volume fluctuations. Such volatility has had a significant impact on the market price of securities issued by several companies. The price of the Shares may therefore fluctuate based upon factors that have little or nothing to do with the Company, and/or without regard to the operating performance of the Group.

2.4.3 Exercise of share options and future issuances of Shares or other securities could dilute the holdings of other shareholders

The Company's business will require capital and, to the extent the Company does not generate sufficient cash from its operations, the Company may in the future decide to offer additional shares or other securities in connection with unanticipated liabilities or expenses, to finance new capital-intensive projects, to pursue its growth strategy, to cover operational losses or for any other purposes. The Company cannot predict what effect, if any, future issuances and sales of Shares will have on the price of the Shares. Furthermore, depending on the structure of any future offering, existing shareholders may not have the ability to subscribe for or purchase additional equity securities. If the Company raises additional funds by issuing additional equity securities, this may result in a significant dilution of the existing shareholders, including in relation to dividends, shareholding percentages and voting rights. An issuance of additional equity

securities or securities with rights to convert into equity could reduce the market price of the Shares and could dilute the economic and voting rights of the existing shareholders if made without granting subscription rights to existing shareholders. Accordingly, the Company's shareholders bear the risk of any future offerings reducing the market price of the Shares and/or diluting their shareholdings in the Company.

As described under Section 11.7 "*Share incentive programs*", the Company has also implemented a share option program for Management, employees of the Company and Board Members. 5,635,500 options have been granted as of the date of this Prospectus. To the extent the current or future share options are exercised, the proportionate ownership and voting rights of the other shareholders of the Company will be diluted.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared by Capsol Technologies ASA, with business address Drammensveien 126, 0277 Oslo, Norway, in connection with the Retail Offering and the Listing of the Shares on the Oslo Stock Exchange as described herein.

The board of directors of Capsol Technologies ASA accepts responsibility for the information contained in this Prospectus. The Board Members confirm that, after having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and makes no omission likely to affect its import.

24 May 2024

The board of directors of Capsol Technologies ASA

Endre Ording Sund
Chairperson

Ellen Merete Hanetho
Board member

John Arne Ulvan
Board member

Monika Inde Zsak
Board member

Wayne Gordon Thomson
Board member

4 GENERAL INFORMATION

4.1 Important investor information

4.1.1 *The Private Placement*

On 16 February 2024 the Company successfully carried out a private placement where upon it raised gross proceeds of NOK 88,270,000, at a subscription price of NOK 12.60 per share (the “**Private Placement**”). The net proceeds to the Company from the Private Placement will be used for financing strategic initiatives within new markets, new solutions and new revenue streams, specifically; (i) establishing and running an operation in the United States, (ii) technical and commercial development of the CapsolGT® solution for carbon capture from gas turbines and (iii) expanding the CapsolGo® mobile demonstration program.

4.1.2 *Approval of the Prospectus*

This Prospectus has been approved by the Norwegian FSA, as a competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the Company or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

4.1.3 *Other important investor information*

The Company has provided the information in this Prospectus. The Managers make no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Managers disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus or any such statement.

The Managers are acting exclusively for the Company and no one else in connection with the Retail Offering and the Listing. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Retail Offering and the Listing and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Retail Offering, the Listing or any transaction or arrangement referred to herein.

The information contained herein is current as of the date hereof and subject to change, completion, and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the Listing, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus shall under any circumstance imply that there has not been any change in the Group’s affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorised to give information or to make any representation concerning the Group or in connection with the Listing other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorised by the Group, representatives, or advisers.

Neither the Group nor any of its representatives or advisers is making any representation, express or implied, to any offeree or purchaser of the Shares regarding the legality of an investment in the Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Shares.

Investing in the Shares involves a high degree of risk. See Section 2 “*Risk factors*”. Capitalised terms contained in this Prospectus shall have the meanings ascribed to them in Section 19 “*Definitions and glossary*”, save where the context indicates otherwise.

4.2 Presentation of financial and other information

4.2.1 Historical Financial information

The Company has prepared consolidated financial statements as of and for the financial year ended 31 December 2023 in accordance with IFRS[®] Accounting Standards as approved by the EU (“**IFRS**”). In connection with the Listing, the Company has prepared comparable consolidated financial information as of and for the financial years ended 31 December 2022 and 2021, which were originally prepared in accordance with NGAAP and the Norwegian Accounting Act, in order to present three years of consistent financial information in accordance with IFRS. The Group's financial statements as of and for the financial years ended 31 December 2023, 2022, and 2021 prepared in accordance with IFRS are hereinafter referred to as the “**Annual Financial Statements**”. The Annual Financial Statements are attached to this Prospectus as Appendix B. The Annual Financial Statements have been audited by RSM Norge AS (“**RSM**”), as set forth in their reports included therein. Going forward, the Company will continue to prepare its consolidated financial statements in accordance with IFRS.

For the financial years up to and including 31 December 2022, the Company prepared its separate financial statements in accordance with Norwegian Generally Accepted Accounting Principles (“**NGAAP**”), meaning the Norwegian Accounting Act of 17 July 1998 no 56 (the “**Norwegian Accounting Act**”) and generally accepted accounting principles in Norway.

Additionally, the Group has prepared interim financial information as of and for the three-month periods ended 31 March 2024 and 31 March 2023 (the “**Interim Financial Information**”). The Interim Financial Information has been prepared in accordance with IAS 34 Interim Financial Reporting (“**IAS 34**”) and has not been subject to audit by the Group's independent auditor RSM. However, review procedures have been performed in accordance with ISRE 2410 “*Review of Interim Financial Information Performed by the Independent Auditor*”, as set forth in their report included therein. The Interim Financial Information has been prepared based on the recognition and measurement criteria as stated in the Annual Financial Statements. The Interim Financial Information is attached to this Prospectus as Appendix C.

The Annual Financial Statements and the Interim Financial Information are together referred to as the “**Financial Information**”.

4.2.2 Functional currency and foreign currency

The Financial Information is presented in NOK (presentation currency).

4.2.3 Other information

In this Prospectus, all references to “**NOK**” are to the lawful currency of Norway, all references to “**USD**” are to the lawful currency of the United States, all references to “**GBP**” are to the lawful currency of the United Kingdom, all references to “**CAD**” are to the lawful currency of Canada, and all references to “**EUR**” are to

the lawful common currency of the EU member states who have adopted the Euro as their sole national currency.

4.2.4 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.5 Exchange rates

The table below sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per USD, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway.

NOK per USD				
Financial year	Average	High	Low	Period End
2021	8.5990	9.1205	8.1742	8.8194
2022	9.6245	10.9332	8.6467	9.8573
2023	10.5647	11.2476	9.8275	10.1724

The table below sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per GBP, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway.

NOK per GBP				
Financial year	Average	High	Low	Period End
2021	11.8254	12.3782	11.4078	11.8875
2022	11.8464	12.2722	11.3684	11.8541
2023	13.1348	13.9438	11.8622	12.9342

The table below sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per EUR, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway.

NOK per EUR				
Financial year	Average	High	Low	Period End
2021	10.1648	10.6170	9.6828	9.9888
2022	10.1040	10.5838	9.4923	10.5138
2023	11.4206	12.0045	10.5135	11.2405

4.3 Third-party information

This Prospectus contains statistics, data, statements, and other information relating to markets, market sizes, market shares, market positions and other industry data about the Group's business and the industries and markets in which it operates. While the Group has compiled, extracted, and reproduced industry and market data from external sources, the Group has not independently verified the correctness of such data. Unless otherwise indicated, such information reflects the Group's estimates based on analysis of multiple sources, including data compiled by professional organisations, consultants and analysts and information otherwise obtained from other third-party sources, such as annual financial statements and

other presentations published by listed companies operating within the same industry as the Group may do in the future.

The Group confirms that where information has been sourced from a third party, such information has been accurately reproduced and that as far as the Group is aware and is able to ascertain from information published by these third-party providers, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information are not guaranteed. The Group has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Prospectus that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently unpredictable and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Group cautions prospective investors not to place undue reliance on the abovementioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements, and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus may not be reliable indicators of the Group's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "*Risk factors*" and elsewhere in this Prospectus.

4.4 Cautionary note regarding forward-looking statements

This Prospectus includes forward-looking statements that reflect the Group's current views concerning future events and financial and operational performance, including, but not limited to, statements relating to the risks specific to the Group's business, future earnings, the ability to distribute dividends, the solution to contractual disagreements with counterparties, the implementation of strategic initiatives as well as other statements relating to the Group's future business development and economic performance. These forward-looking statements can be identified using forward-looking terminology; including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements are not historical facts. They appear in several places throughout this Prospectus. Section 5 "*Dividend and dividend Policy*" and Section 7 "*Business of the Group*" and include statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, goals, objectives, financial condition and results of operations, liquidity, outlook and prospects, growth, strategies, impact of regulatory initiatives, capital resources and capital expenditure and dividend targets, and the industry trends and developments in the markets in which the Group operates.

Prospective investors in the Shares are cautioned that forward-looking statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry in which the Group operates may differ materially from those contained in or suggested by the forward-looking statements contained in this Prospectus. The Group cannot guarantee that the intentions, beliefs, or current expectations on these forward-looking statements are based will occur.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties, and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Should one or more of these risks and uncertainties materialise, or should any underlying assumption prove to be incorrect, the Group's business, actual financial condition, cash flows or results of operations could differ materially from that described herein as anticipated, believed, estimated, or expected.

The information contained in this Prospectus, including the information set out in Section 2 "*Risk factors*", identifies additional factors that could affect the Group's financial position, operating results, liquidity and performance. Prospective investors in the Shares are urged to read all sections of this Prospectus and, in particular, Section 2 "*Risk factors*" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Shares.

The Group undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Group or persons acting on behalf of the Group are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 DIVIDEND AND DIVIDEND POLICY

5.1 Dividend policy

On 27 September 2023, the Company resolved to adopt a share capital reduction, cf. section 12-5 and 12-1 of the Norwegian Public Companies Act. The capital reduction was registered in the Register of Business Enterprises on 10 October 2023. Since the capital reduction was carried out without creditor notice, a distribution of dividends cannot be resolved by the Company until three years have passed from the registration date, unless the share capital subsequently has been increased by an amount at least equal to the reduction.

Further, as of the date of this Prospectus, the Company is in a growth phase and is not in a position to pay any dividends. Beyond the growth phase, it is the Company's dividend policy to pay dividends reflecting the underlying earnings and cash flow while ensuring efficient capital allocation. When deciding the dividend level, the Board of Directors will among other things take into consideration capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility.

There can, however, be no assurance that in any given year a dividend will be proposed or declared, or if proposed or declared, that the dividend will be as contemplated by the policy. The Company has not paid any dividends on its Shares in the period covered by the historical financial information.

In deciding whether to propose a dividend and in determining the amount of the dividend, the Board of Directors will take into account the legal restrictions as set out in Section 5.2 "*Legal and contractual constraints on the distribution of dividends*" below, the restriction period referred to above in this Section 5.1, the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its loan arrangements or other contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and to maintain appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Companies Act, the amount of dividends paid may not exceed the amount recommended by the Board of Directors.

Further, the tax legislation of an investor's member state and the Company's country of incorporation (Norway) may have an impact on the income received from the Shares, see Section 17 "*Norwegian taxation*".

5.2 Legal and contractual constraints on the distribution of dividends

In deciding whether to propose a dividend and in determining the dividend amount in the future, the Board of Directors must take into account applicable legal restrictions, as set out in the Norwegian Public Companies Act, the restriction period referred to above in Section 5.1 "*Dividend policy*", the Company's capital requirements, including capital expenditure requirements, its financial condition, general business conditions and any restrictions that its loan arrangements or other contractual arrangements in force at the time of the dividend may place on its ability to pay dividends and to maintain appropriate financial flexibility. Except in certain specific and limited circumstances set out in the Norwegian Public Companies Act, the dividends paid may not exceed the amount recommended by the Board of Directors.

Dividends may be paid in cash or, in some instances, in kind. The Norwegian Public Companies Act provides the following constraints on the distribution of dividends applicable to the Company:

- Section 8-1 of the Norwegian Public Companies Act regulates what may be distributed as dividends and provides that the Company may distribute dividends only to the extent that the Company's net assets following the distribution are sufficient to cover (i) the Company's share capital, (ii) other restricted equity (i.e. the reserve for unrealised gains and the reserve for valuation of differences).
- The calculation of the distributable equity shall be made of the balance sheet included in the approved annual accounts for the previous financial year, provided, however, that the registered share capital as at the date of the resolution to distribute dividends shall be applied. Following approval of the annual accounts for the last financial year, the General Meeting may also authorise the Board of Directors to declare dividends based on the Company's annual accounts. Dividends may also be resolved by the General Meeting based on an interim balance sheet which has been prepared and audited under the provisions applying to the annual accounts and with a balance sheet date not further into the past than six months before the date of the General Meeting's resolution.
- Dividends can only be distributed to the extent that the Company's equity and liquidity following the distribution is considered sound in light of the risk and scope of the Company's business.

Pursuant to the Norwegian Public Companies Act, the time when an entitlement to dividend arises depends on what was resolved by the General Meeting when it resolved to issue new shares in the Company. A subscriber of new shares in a Norwegian public limited liability company will normally be entitled to dividends from the time when the relevant share capital increase is registered with the Norwegian Register of Business Enterprises. The Norwegian Public Companies Act does not provide for any time limit after which entitlement to dividends lapses. Subject to various exceptions, Norwegian law provides a limitation period of three years from the date on which an obligation is due. There are no dividend restrictions or specific procedures for non-Norwegian resident shareholders to claim dividends.

5.3 Manner of dividend payments

The Company's equity capital is denominated in NOK and all dividends on the Shares will therefore be declared in NOK. As such, investors whose reference currency is a currency other than NOK may be affected by currency fluctuations in the value of NOK relative to such investor's reference currency in connection with a dividend distribution by the Company. Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through DNB Bank ASA as the VPS registrar (the “**VPS Registrar**”). Shareholders registered in VPS who have not supplied the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividends will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

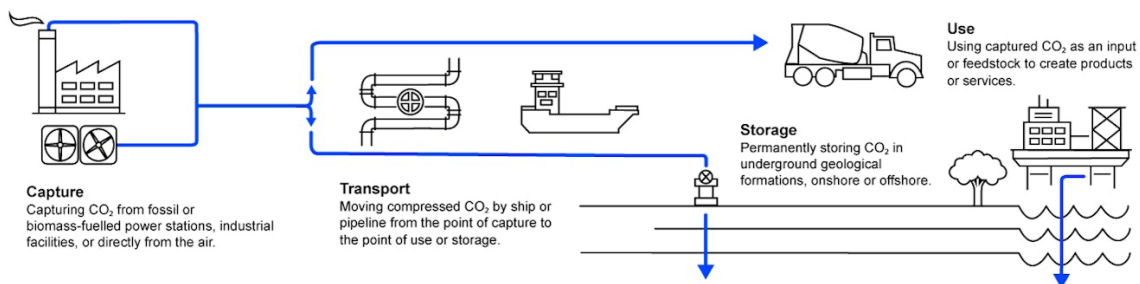
6 INDUSTRY AND MARKET OVERVIEW

This Section provides an overview of the principal market in which the Group operates. Information concerning future market developments, the markets in general, competition, industry trends and similar information, is based on data from external and publicly available sources. Any forecast information and other forward-looking statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. You are advised to read this Section in conjunction with other parts of this Prospectus, in particular Section 2 "Risk factors".

6.1 Market introduction

The Group is a carbon capture technology provider for post-combustion applications, with a goal to accelerate the transition to a net zero future. In broad terms, the addressable market is any industry with significant carbon dioxide ("CO₂") emissions globally, where the installation and operation of a carbon capture plant are viable. However, the Group believes its technology is especially competitive for certain industries and segments; biomass, energy-from-waste ("EfW"), cement, and gas turbines.¹

Carbon capture involves the capture, transportation, and storage of CO₂ from power production or industrial processes. The terms Carbon Capture and Storage ("CCS") and Carbon Capture, Utilisation and Storage ("CCUS") are widely used. The purpose of CCS is to limit the quantity of CO₂ emissions released into the atmosphere by capturing CO₂ and then storing it securely.² Post-combustion CCUS involves the capture of CO₂, generally from large point sources like power generation or industrial facilities that use either fossil material, biomass, or feedstock as fuel. If not being utilised on site, the captured CO₂ is compressed or liquified and transported by pipeline, ship, rail, or truck to be used in a range of applications or injected into deep geological formations such as depleted oil and gas reservoirs or saline aquifers.³



Source: IEA: <https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage>

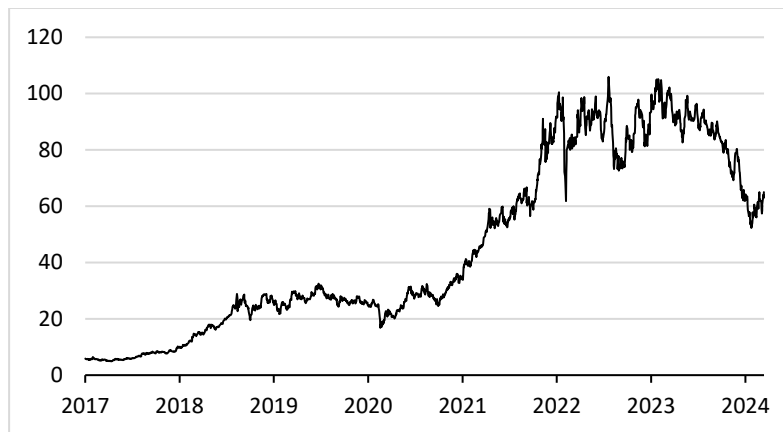
The Group considers the increasing costs of emitting CO₂ spurred by regulations such as carbon taxes, as well as government incentives that enhance the attractiveness of carbon capture, as key market drivers. Furthermore, heightened market activity is anticipated to gain momentum with the advancement of operationally robust carbon capture technologies, the maturation of a carbon capture value chain facilitating capacity expansion, and industrial scaling efforts aimed at cost reduction through standardization and economies of scale. In addition, market acceptance for green products' price premium and impact on cost of equity and debt (i.e., green loans discounted rate) is expected to increase.

¹ Please see Section 6.6 "Competitive situation" for further information

² Source: Norwegian Petroleum, Carbon capture and storage (<https://www.norskipetroleum.no/en/environment-and-technology/carbon-capture-and-storage/>) (free source)

³ Source: IEA's overview of CCUS (<https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage>)

EU ETS is a cap-and-trade system that limits greenhouse gas emissions, allowing industries with lower emissions to sell surplus allowances to larger emitters, creating a market price for emissions.⁴ The market prices for emitting CO₂ within the EU are steadily increasing. In 2017, the EU ETS prices were below EUR 10 per tonne, but in the following years they continued to increase breaching EUR 100 per tonne for the first time in 2023. As of 10 May 2024, the price per tonne CO₂ was EUR 71.59.



ETS Price as of 11.04.2024. Source: Bloomberg

The International Energy Agency's ("IEA") Net Zero Emissions by 2050 Scenario⁵ ("NZE Scenario") projects carbon prices to be in place in all regions, rising by 2050 to an average of USD 250 per tonne CO₂ in advanced economies, to USD 200 per tonne CO₂ in emerging markets and developing economies with net zero emissions pledges.

Table 2.4 > CO₂ prices for electricity, industry and energy production in selected regions by scenario

USD (2022) per tonne of CO ₂	2030	2040	2050
Net Zero Emissions by 2050 Scenario			
Advanced economies with net zero emissions pledges	140	205	250
Emerging market and developing economies with net zero emissions pledges	90	160	200
Selected emerging market and developing economies (without net zero emissions pledges)	25	85	180
Other emerging market and developing economies	15	35	55

Note: Values are rounded.

¹ Includes all OECD countries except Mexico.

² Includes China, India, Indonesia, Brazil and South Africa.

Source: IEA (forward looking prices per tonne CO₂ estimates)

Historically, CCUS projects tended to be vertically integrated, with a capture plant having its own dedicated downstream transport system. This favoured large-scale projects, where economies of scale made downstream costs reasonable. Recently, there has been a trend toward projects sharing CO₂ transport and storage infrastructure: pipelines, shipping, port facilities, and storage wells.⁶ These 'CCUS networks', or 'hubs', mean smaller projects can also benefit from economies of scale, which has accelerated CCUS deployment. With the identified need for the large-scale deployment of carbon capture, it is both expected and required that regional and global infrastructure for transport, utilisation and storage of CO₂ will be further developed, and that this will reduce the cost and complexity developing carbon capture projects.

6.2 Energy transition development

In light of the global targets set by the Paris Agreement⁷ to tackle climate change, it's crucial that businesses take practical steps to reduce greenhouse gas emissions and limit temperature increases to under two degrees Celsius compared to pre-industrial levels. This means deploying the most effective and efficient

⁴ Source: EC, What is the EU ETS? (https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets/what-eu-ets_en) (free source)

⁵ Source: IEA Net Zero 2023 Update (https://iea.blob.core.windows.net/assets/9a698da4-4002-4e53-8ef3-631d8971bf84/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf) (free source)

⁶ Source: Company

⁷ Source: UNFCCC (2016) Paris Agreement (https://unfccc.int/sites/default/files/resource/parisagreement_publication.pdf) (free source)

measures available for each use case, such as improving energy efficiency, switching to renewable energy sources, or implementing carbon capture technology. Certain hard-to-abate sectors, such as cement production, face unique challenges in emission reduction, making solutions like carbon capture a crucial technology for emission reductions. Conversely, in industries like biomass, carbon capture presents an opportunity for achieving negative emissions.⁸

There is an increasing recognition by governments of CCS' and CCUS' critical role in delivering net zero ambitions. The UN Intergovernmental Panel on Climate Change special report on the 1.5-degree target points to bioenergy with carbon capture and storage ("BECCS") as a potential solution for removing CO₂ from the atmosphere.⁹ BECCS is also the only CO₂ removal technique that can provide energy.¹⁰

The carbon capture market, investment opportunities and general interest in carbon capture technologies have rapidly increased over the last years, mainly driven by climate change, extreme weather events, net-zero targets, increased carbon taxes, public funding, and technology and value chain developments. There are various estimates for how much carbon capture capacity that is needed to meet the world's climate goals, but there is consensus that it is a large industrial undertaking that is creating new business opportunities.

According to The Global CCS Institute¹¹, to reach the defined net zero CO₂ goals, the global CCUS industry must grow by more than a factor of 100 by the year 2050. This means building 70 to 100 facilities a year, up to 100,000 construction jobs and ongoing jobs for 30,000 to 40,000 operators and maintainers. In this scenario, the size of the global CCUS industry could approach that of the world natural gas industry within a few decades creating a significant engine of growth, alongside renewable energy, in the new low-emissions economy.

IEA's NZE Scenario highlights the need for significant expansion of carbon capture capacity to achieve net zero emissions by 2050. By 2030, capacity must increase to 1 gigatonnes per annum ("GTPA") of CO₂ per year, rising to 6 GTPA by 2050.

Achieving the 1.5-degree target requires 7 GTPA of carbon capture and removal by 2050, according to analysis by Wood Mackenzie¹², while current globally planned CCUS capacity remains at 1.4 GTPA, highlighting a significant delta. In the base case, CCUS and engineered removals reach 2 GTPA by 2050.

Rystad Energy's 1.6-degree forecast¹³ highlights that approximately 8 GTPA of carbon capture capacity must be installed by 2050, across various industries and technologies. Rystad estimates that 3.2 GTPA must

⁸ Source: The Royal Society (2021) Carbon dioxide capture and storage: A route to net zero for power and industry (<https://royalsociety.org/-/media/policy/projects/climate-change-science-solutions/climate-science-solutions-ccs.pdf>) (free source)

⁹ Source: IPCC (2005) Carbon dioxide capture and storage (https://www.ipcc.ch/site/assets/uploads/2018/03/srccs_wholereport-1.pdf) (free source)

¹⁰ Source: IEA Bioenergy with Carbon Capture and Storage (<https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage/bioenergy-with-carbon-capture-and-storage>) (free source)

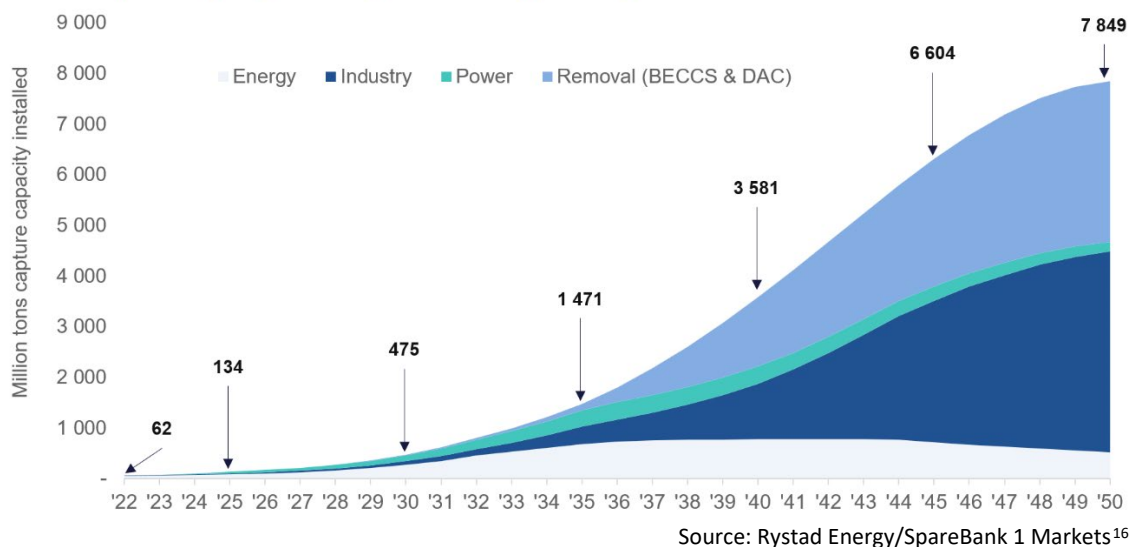
¹¹ Source: The Global CCS Institute (2021) Global Status of CCS (<https://www.globalccsinstitute.com/wp-content/uploads/2021/11/Global-Status-of-CCS-2021-Global-CCS-Institute-1121.pdf>) (free source)

¹² Source: Wood Mackenzie (2023) 7 GTPA of carbon capture needed to meet net zero by 2050 (<https://www.woodmac.com/press-releases/7-btpa-of-carbon-capture-needed-to-meet-net-zero-by-2050/>) (free source)

¹³ Source: As discussed in SpareBank 1 Markets [CAPSL coverage report, 28. February 2024](#) (behind paywall)

be removed through BECCS and direct air capture¹⁴, which is equivalent to the estimated carbon capture of about 4,000 Stockholm Exergi biomass plants.¹⁵

CO2 captured per year – Rystad Energy 1.6dg Scenario



McKinsey¹⁷ estimates that CO₂-capture capacity is set to increase at least threefold between 2020 and 2030, while uptake of CCUS needs to grow more than 100 times by 2050 for countries to achieve their net-zero commitments, reaching 4 to 6 GTPA of CO₂ captured. This translates to about USD 3.5 trillion in investments in carbon capture, transport and storage.

To underscore the magnitude of capturing 8 GTPA through post-combustion carbon capture, consider that it is approximately the equivalent of building a single Stockholm Exergi facility (800,000 tonnes of CO₂ per annum) every day until 2050.¹⁸

6.3 Key markets

The Group can support global deployments of its carbon capture technologies due to the scalable licensing business model, minimizing the need for a local presence or engineering hubs. However, CCS readiness is dependent on several factors, including financing, political support, regulatory environments, energy infrastructure and execution abilities. Key market-based studies on CCS readiness indicate that North America leads the way, closely followed by the European Union and the United Kingdom¹⁹, all regions where the Group experiences strong demand and interest.

¹⁴ Capturing CO₂ directly from the air as opposed to capturing from point source emitters.

¹⁵ Group calculations: Stockholm Exergi = 800kTPA, equivalent of 4,000 Exergi biomass plants to reach 3.2 GTPA

¹⁶ Source: Underlying data: Rystad Energy (requires membership), also shown in SpareBank 1 Markets [CAPSL coverage report, 28. February 2024](#)

¹⁷ Source: McKinsey & Company Global Energy Perspective 2023: CCUS outlook (<https://www.mckinsey.com/industries/oil-and-gas/our-insights/global-energy-perspective-2023-ccus-outlook>)

¹⁸ Group calculations: Stockholm Exergi = 800kTPA, equivalent of 10,000 carbon capture plants needed for 8GTPA. ~10,000 days until 2050

¹⁹ Source: Global CCS Institute (2023) Global status of CCS report (<https://www.globalccsinstitute.com/resources/publications-reports-research/>) (free source)

6.3.1 Europe

Because of its significant market size, maturity and well-established incentive schemes, Europe stands out as a key region for the Group. The IEA CCUS Project Explorer²⁰ reports that Europe accounts for 43% of operating and planned CCUS capacity, underscoring the region's prominence in carbon capture initiatives.

Europe hosts the world's largest emissions-trading system²¹, a key tool in curbing greenhouse gas emissions. In February 2024, the European Commission unveiled its net zero industrial carbon management strategy²², aiming for a 90% reduction in industrial emissions by 2040. To support this, incentives such as the Connecting Europe Facility (“CEF”) and the Innovation Fund provide financial backing for carbon capture projects. Regulatory revisions are also underway to streamline cross-border CO₂ transport and storage.

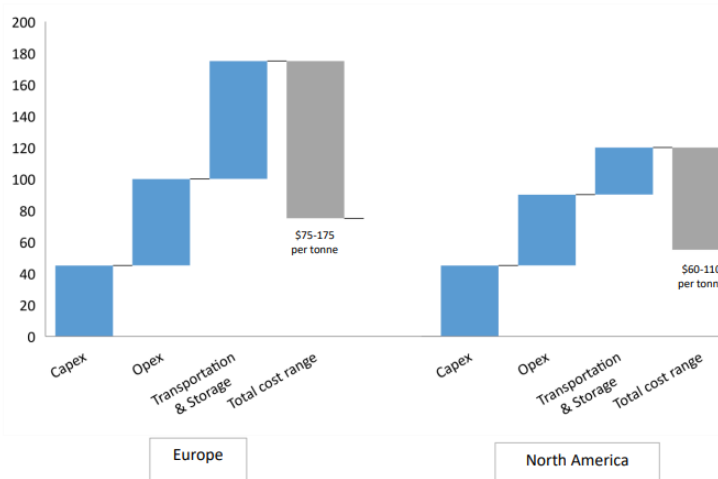
In 2023, the Group established a presence in Germany, which already has resulted in new projects and partnerships. In addition, the Group has allocated dedicated resources for the UK market.

6.3.2 North America

According to the IEA CCUS Project Explorer²³, North America holds 57% of the world's operating and planned CCUS capacity, with the United States contributing 84% of the continent's capacity, while Canada accounting for the remaining 16%.

In North America, carbon capture benefits from cost-effective transport and storage solutions enabled by well-established pipeline networks and accessible reservoirs. This infrastructure simplifies the process of storing captured CO₂, resulting in notable cost savings. Canada already possesses infrastructure for CO₂ transport and storage in Alberta, and the US has also made significant strides in developing transportation networks and storage facilities, particularly in regions with dense industrial activity such as the Gulf Coast and the Midwest.

Exhibit 3 - Carbon Capture and Storage cost ranges for Europe and US (\$/tonne CO₂)



Source: 'Revisiting the role of CCS in net zero roadmaps'. Royal Bank of Canada, Nov 7, 2023

²⁰ Source: IEA CCUS Project Explorer (<https://www.iea.org/data-and-statistics/data-tools/ccus-projects-explorer>) (free source)

²¹ Source: EU ETS Landing Page (https://climate.ec.europa.eu/eu-action/eu-emissions-trading-system-eu-ets_en) (free source)

²² Source:

EC Factsheet – Europe 2040 climate pathway (https://ec.europa.eu/commission/presscorner/detail/en/fs_24_590) (free source)

²³Source: IEA CCUS Project Explorer (<https://www.iea.org/data-and-statistics/data-tools/ccus-projects-explorer>) (free source)

The US' Infrastructure Investment and Jobs Act from 2021 included USD 12 billion to be spent on CCS over five years²⁴, while the IRA increased the tax refund from 50 to USD 85 per tonne of CO₂ for carbon emissions captured and stored from industrial facilities and power plants.²⁵ In North America alone, an estimated 230 million tonnes of CO₂ capture capacity will be needed by 2030²⁶, 41% of which is in the Group's target industries.

Canada has set a price on CO₂ emissions, rising from CAD 80 (USD 58) per tonne today to CAD 170 (USD 124) in 2030²⁷, and has introduced a 50% investment tax credit to support post-combustion CCUS projects, making it one of the most attractive carbon capture regimes in the world. Additionally, Alberta offers a 12% capital cost grant on top of the existing tax credits, resulting in a combined incentive of 62% for capital expenditures.²⁸

The Group is currently in the process of establishing its US offices, having hired an executive advisor for the Americas in April 2024 to facilitate the Group's expansion into North America.

6.3.3 Rest of the world

The Group has adopted an opportunistic approach towards the rest of the world, expanding gradually based on the activity levels of carbon capture projects and interest in the Group's technology. As an example, the Group is experiencing an increase in requests from the Middle East and Asia and expects these regions to offer several potential projects in the future. China, the world's largest emitter of CO₂, has initiated pilot projects and initiatives aimed at capturing and storing carbon emissions from coal-fired power plants and industrial facilities.²⁹ The Group closely monitors these developments as part of its strategic planning.

6.4 Key target industries

The Group's main target segments are industries with emissions that are difficult to abate, such as cement and lime, and industries that offer opportunities for carbon removal, such as biomass and EfW. In addition, the Group is targeting customers that operate or own gas turbines, which are looking for cleaner power generation in new or existing gas turbine stations. Collectively, these industries account for an estimated 43% of installed CO₂ capture capacity in 2030 according to IEA's NZE Scenario.³⁰ The Group is not only active in these industries and may define other industries as target segments in the future.

²⁴ Source: IEA CCS (<https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage>) (free source)

²⁵ Source: IEA, Inflation Reduction Act 2022 (<https://www.iea.org/policies/16255-inflation-reduction-act-2022-sec-13104-extension-and-modification-of-credit-for-carbon-oxide-sequestration>) (free source)

²⁶ Source: Rystad Energy, Carbon capture capacity poised to surge more than 10 times by 2030 (<https://www.rystadenergy.com/news/carbon-capture-capacity-poised-to-surge-more-than-10-times-by-2030-but-aggressive>) (free source)

²⁷ Source: Canadian Government, Update to the Pan-Canadian Approach to Carbon Pollution Pricing 2023-2030 (<https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/carbon-pollution-pricing-federal-benchmark-information/federal-benchmark-2023-2030.html>) (free source)

²⁸ Source: Alberta Carbon Capture Incentive Program (<https://www.alberta.ca/alberta-carbon-capture-incentive-program>) (free source)

²⁹ Source: Global CCS Institute, China continues to advance CCUS in 2023 (<https://www.globalccsinstitute.com/news-media/insights/china-continues-to-advance-ccus-in-2023-learning-by-doing-after-launch-of-first-integrated-megaton-project-under-score-momentum/>) (free source)

³⁰ Source: IEA, Net Zero 2023 Update (https://iea.blob.core.windows.net/assets/9a698da4-4002-4e53-8ef3-631d8971bf84/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf) (free source)

6.4.1 Cement production

Cement is the largest industry opportunity for CCS, accounting for ~8% of global CO₂ emissions.³¹ IEA has estimated that the cement industry will account for 170 million tonnes of captured per annum CO₂ in 2030, rapidly growing to 480 million tonnes per annum in 2035 and 1.3 GTPA in 2050 in the IEA's Net Zero Emissions by 2050 Scenario. In IEA's Sustainable Development Scenario³², the estimated capacity is 258 million tonnes in 2030 and 1.2 GTPA in 2050.

EU produced 183 million tonnes cement in 2022, the US 95 million tonnes, India 370 million tonnes and China 2.1 GTPA.³³ Given the inherent carbon intensity of cement manufacturing stemming from the calcination of limestone and the utilization of fossil fuels in kilns, carbon capture emerges as a key solution in reducing emissions. The Group's efficient, fully electric solution removes the need for excessive and costly heat integration and additional steam generation.

The EU's Carbon Border Adjustment Mechanism (CBAM), currently being implemented by 2026, is a strong driver for initiating and maturing carbon capture projects in the cement industry. EU's carbon tariff mandates EU importers of cement to pay allowances equivalent to the EU ETS in EUR per tonne, while domestic producers lose their "free" emission allowances.³⁴ This exposes both EU and cement producers importing into the EU the full cost of CO₂ emissions. With an ETS price of EUR 100 per tonne of CO₂ and estimated emissions of 0.6 tonnes CO₂ per tonne of cement produced, cement costs would rise by an estimated 60% unless CO₂ reduction measures like carbon capture are applied.

6.4.2 Biomass

Biomass power plants utilize combustion or conversion processes like gasification to generate electricity, and heat (for district heating or other purposes) offering reliable dispatchability. This means that the electricity they produce is controllable and fully available on demand. As of early 2023, there were approximately 4,850 biomass power plants operating worldwide.³⁵

BECCS presents the opportunity to remove carbon from the atmosphere, thus enabling the potential for negative CO₂ emissions. Notably, BECCS stands out as the sole CO₂ removal technique capable of simultaneously providing energy. Given bioenergy's ability to supply high-temperature heat and provide CO₂ as a feedstock to create sustainable fuels for existing engines, BECCS assumes an important role in decarbonizing certain energy-intensive industries and aviation with Sustainable Aviation Fuel ("SAF") within IEA's NZE Scenario. The use of BECCS credits in the voluntary carbon markets can be a future value driver for plants to leverage³⁶, a market that could be worth an upward of USD 50 billion in 2030.³⁷

³¹ CNN, Concrete is a huge source of carbon emissions (<https://edition.cnn.com/2023/06/16/world/concrete-carbon-emissions-researchers-working-to-make-it-greener-climate-scn-spc/index.html>) (free source)

³² Source: IEA, CCUS in the transition to Net Zero Emissions report (<https://www.iea.org/reports/ccus-in-clean-energy-transitions/ccus-in-the-transition-to-net-zero-emissions>) (free source)

³³ CEMBUREAU, Key Facts (<https://cembureau.eu/about-our-industry/key-facts-figures/>) (free source)

³⁴ Source: EU, Carbon Border Adjustment Mechanism, Landing Page (https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en) (free source)

³⁵ Source: Ecoprog, Biomass to Power 2023/2024 (<https://ecoprog.com/publications/data-biomass>) (behind paywall)

³⁶ Source: Bringing BECCS credits to voluntary carbon markets (<https://www.diva-portal.org/smash/get/diva2:1800475/FULLTEXT01.pdf>) (free source)

³⁷ Source: McKinsey, A blueprint for scaling voluntary carbon markets to meet the climate challenge (<https://www.mckinsey.com/capabilities/sustainability/our-insights/a-blueprint-for-scaling-voluntary-carbon-markets-to-meet-the-climate-challenge>) (free source)

6.4.3 Energy-from-waste (EfW)

Around two-thirds of the global waste currently bound for dumps and landfills is suitable for recovery, while only 11% of this potential is tapped according to Wood Mackenzie³⁸, providing a strong backdrop for EfW growth as government policies are implemented. As of the end 2023, there were more than 2,700 thermal EfW plants in operation worldwide with an estimated combined capacity of 530 million tonnes of waste annually.³⁹ By 2032, the global capacity is expected to grow to 3,000 plants and 700 million tonnes of waste annually.

EfW plants that use biomass as an input factor can generate negative emissions credits from carbon capture and storage, which can be utilized or sold to improve the economics of decarbonization.

6.4.4 Gas turbines

There are more than 1,900 gas power plants in the US⁴⁰ and 700 plants across Europe⁴¹, constituting some of the largest single emission points. Open-cycle gas turbines (“OCGT”) represent a simple application of gas combustion for power and electricity generation, and natural gas is contributing to around 25% of global electricity generation according to IEA.⁴² OCGTs consist solely of a gas turbine and do not inherently recover waste heat, resulting in lower efficiency compared to technologies that utilize waste heat for heating or additional power production. This characteristic makes OCGTs particularly suitable for carbon capture solutions with the Group’s technology. With simple cycle gas turbines, CapsolGT® has the potential to capture CO₂ at low concentrations with high efficiency and potentially generate additional power, thus transforming CCS into a net profit contributor.

6.4.5 Other industries

While the above-mentioned industries are especially well suited for the Group’s carbon capture technology, there are several other industries that the technology could be effective towards, including but not limited to:

- **Steel production:** Carbon capture technology can be applied in steel production to capture CO₂ emissions generated during the combustion of fossil fuels in blast furnaces or during the steelmaking process.
- **Process and chemical industry plants:** This category encompasses a wide range of industries, including Liquefied Natural Gas (“LNG”) plants, petroleum refineries, pulp & paper facilities, and other chemical and industrial processes that produce CO₂ emissions as a byproduct. Carbon capture technology can be employed to capture and mitigate these emissions.
- **Fossil power plants:** Fossil fuel-fired power plants, including coal and natural gas plants, emit significant amounts of CO₂ during combustion. Carbon capture technology can be integrated into such plants to capture and store CO₂ emissions, helping to reduce their environmental impact.
- **Hydrogen production:** Certain methods of hydrogen production, such as steam methane reforming, can produce CO₂ emissions from combustion that can be captured and stored using post-combustion carbon capture technology

³⁸ Source: Wood Mackenzie - Could energy recovery solve the mounting problem of global waste?
<https://www.woodmac.com/news/opinion/waste-to-energy/> (free source)

³⁹ Source: Ecoprog, Waste to Energy 2023/2024 (<https://ecoprog.com/publications/data-wte>) (behind paywall)

⁴⁰ Source: U.S. Environmental Protection Agency Power Plant and Neighboring Communities (<https://www.epa.gov/power-sector/power-plants-and-neighboring-communities>) (free source)

⁴¹ Source: Data Center dynamics, What fuel is used by power stations in Europe and the US today?
(<https://www.datacenterdynamics.com/en/opinions/what-fuel-is-used-by-power-stations-in-europe-and-the-us-today/>) (free source)

⁴² Source: IEA, Natural Gas (<https://www.iea.org/energy-system/fossil-fuels/natural-gas>) (free source)

6.5 Key geographies

The Group's revenues in the period covered by the Prospectus are from CapsolGo® demonstration campaigns and from feasibility and engineering studies in Europe. Other operating income is related to sublease of offices. The Group operates with one segment; hence it does not have a further breakdown by operating segment.

Geographical distribution	2023	2022	2021
Amounts in NOK			
Europe	34 160 224	10 766 762	37 950
US	-	-	-
Others	-	-	-
Other operating income	-	21 666	29 624
Total operating revenue	34 160 224	10 788 428	67 574
Timing of revenue recognition			
At point in time	3 247 363	1 183 550	67 574
Over time	30 912 860	9 604 878	-

Source: Annual Financial Statements

6.6 Competitive situation

The carbon capture solution market is in its nascent stage, with signs of rapid growth ahead. Large industrial conglomerates like Mitsubishi Heavy Industries, Shell, Honeywell, Air Liquide, Fluor, the Linde Group and Aker Carbon Capture are currently considered as important market participants. The majority of the current market participants are using amine or ammonia-based methods for carbon capture, while the Group uses safe and environmentally friendly potassium carbonate as a solvent in their patented technology. The Group further differentiates by being one of the few pure-play carbon capture technology providers employing a capital-light technology licensing model.⁴³

The Group believes it has competitive advantages related to its energy-efficient process with inherent heat recovery, stand-alone capture unit and use of environmentally friendly solvent. These advantages have the potential to significantly reduce integration and permitting risks as well as carbon capture costs compared to other post-combustion carbon capture technologies.

6.6.1 Inherent heat recovery

The Group believes its integrated waste heat and energy recovery results in significantly lower energy consumption than comparable technologies:

- the capture unit can run on electricity only⁴⁴ and there is no need to build additional facilities for steam production;
- based on a third-party study⁴⁵ comparing the Group's technology with traditional amine technology, heat recuperation contributed to reducing energy consumption by 72%;
- based on energy accounting for 70% of operational expenditure, the capture cost could be reduced by approximately 40% by deploying the Group's technology versus traditional amine technology; and
- for facilities connected to district heating networks the Group's capture technology may improve overall plant economics by adding thermal power from heat recuperation to the district heating network, potentially increasing revenues or reducing costs.

⁴³ See Section 7.4 "Strategy and objectives" for further details.

⁴⁴ The electrical energy consumption is between 0.7 and 1.5 GJ/tonnes of CO₂ captured, depending on the composition and temperature of the flue gas

⁴⁵ Source: Stora Enso AB. (2020). Conceptual study for Bio-CCS within Stora Enso's Swedish kraft pulp mills. Project final report. (Not publicly available, but available on request to the Managers)

6.6.2 Stand-alone capture unit

The Group believes its pressurized absorber design allows for easy retrofitting, saving space and avoiding downtime at the parent plant during installation, commissioning, or maintenance – limiting integration and capex risk. The Group also estimates that commissioning can be completed within 18-24 months by utilizing well-established components that are already employed in thousands of plants worldwide.

6.6.3 Safe and environmentally friendly solution

The Group’s carbon capture technologies utilize potassium carbonate, a stable, non-toxic, readily available, and cost-effective solvent:

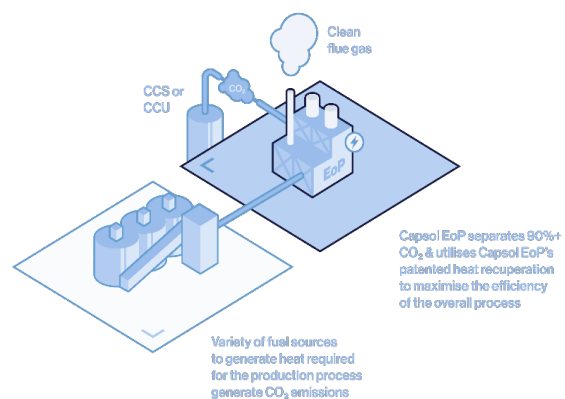
- potassium carbonate has been utilized as a CO₂ solvent in plants globally for decades⁴⁶; and
- the Group believes the non-proprietary solvent’s superior HSE performance eases permitting and limits supply chain risks, with potassium carbonate being widely available, having a low degradation level which limit maintenance requirements.

6.7 Industry- specific competitive situation

Outlined below are specific competitive advantages inherent to the Group’s technology for the key target industries detailed in Section 6.4 “Key target industries”.

6.7.1 Cement production

For cement, CCS is believed to be an integral part of decarbonisation.⁴⁷ The Group believes the CapsolEoP® solution removes the need for excessive and costly heat integration and additional steam generation, and that the solution can utilize excess heat if available and is flexible and easy to integrate – installed with minimal modifications to the cement plant. Additionally, emissions from cement production have relatively high CO₂ concentrations.⁴⁸ As energy consumption has a strong inverted correlation with CO₂ concentration for the Group’s technology, CapsolEoP® requires less energy at higher CO₂ concentrations. This makes CapsolEoP® particularly cost-efficient for cement compared to competing technologies where the correlation with CO₂ concentration is weaker.

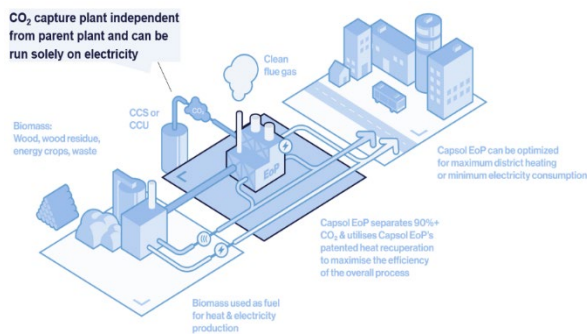


⁴⁶ University of Melbourne (2017) Precipitating Characteristics of Potassium Bicarbonate Using Concentrated Potassium Carbonate Solvent for Carbon Dioxide Capture (<https://findanexpert.unimelb.edu.au/scholarlywork/1218881-precipitating-characteristics-of-potassium-bicarbonate-using-concentrated-potassium-carbonate-solvent-for-carbon-dioxide-capture.-part-1.-nucleation>) (behind paywall)

⁴⁷ Source: IEA Net Zero Emissions Guide, Cement (<https://www.iea.org/reports/cement-3>) (cement)

⁴⁸ Source: World Economic Forum, Cementing your lead: (<https://www.weforum.org/agenda/2023/10/new-technologies-decarbonizing-cement-production/>) (free source)

6.7.2 Biomass



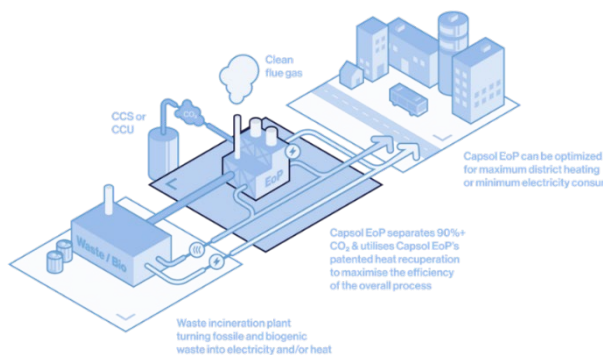
For biomass/BECCS, the Group believes it offers an energy-efficient, fully electric solution with low operational expenditure enabled by utilizing waste heat. CapsolEoP® is particularly suited for flue gases with high concentrations of CO₂, a characteristic prevalent in biomass flue gases.

The solution can be optimized for maximum heat delivery to district heating systems, delivering up to 8x more heat output over 60°C for every additional 1 Mwe. This extra heat delivery can improve the economics of the installation.

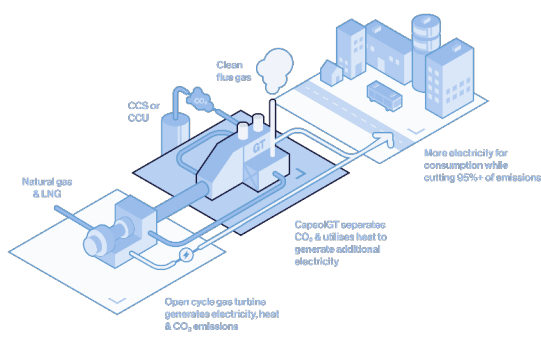
6.7.3 Energy-from-waste (EfW)

The Group offers a fully electric and safe solution fit for residential areas with large integration potential for EfW plants.

The solution can be optimized for maximum heat delivery to district heating systems, delivering up to 8x more heat output over 60°C for every additional 1 Mwe.



6.7.4 Gas turbines



For simple cycle gas turbines, CapsolGT® captures CO₂ at low concentrations at high efficiency with the potential for additional power generation, turning CCS into a net energy or profit contributor.

CapsolGT® is developed and promoted together with leading gas turbine suppliers such as GE Verona⁴⁹ ensuring broad compatibility.

⁴⁹ Source: GE Verona has the largest fleet on a megawatt basis and ~7,000 installed gas turbines (<https://www.governova.com/investors>) (free source)

7 BUSINESS OF THE GROUP

7.1 Introduction to the Group

The Group is a carbon capture technology provider with a goal to accelerate the transition to a net zero future. The Group's energy-efficient, cost-competitive, and environmentally friendly solutions are licensed out either directly to customers or through industrial partners globally.

The Company was established in 2014 and is headquartered in Oslo, Norway. In 2015, the Company acquired a patent portfolio related to the Hot Potassium Carbonate ("HPC") carbon capture technology of Sargas AS, and subsequently continued research and development activities which resulted in the CapsolEoP® solution.

Together with customers and contractors, the Group develops technologies for CO₂ capture from plants with large CO₂ emissions. Biomass, EfW, cement and gas turbines are key segments for the Group.

7.2 Principal activities

7.2.1 Revenue streams and operating segment

The Group has a capital-light business model which supports large industrial emitters developing point source CCS projects through demonstration campaigns and engineering studies. The end goal is to provide a process and design package for the Group's patented technology for use in a full-scale CCS plant for a technology licensing fee, payable starting FID.

The Group's main revenue streams are as follows:

1. Paid engineering studies for potential full-scale CO₂ capture plants

In this first phase, the Group works with customers (on a contractual basis) to provide engineering studies that comprise doing concept analysis, feasibility, and pre-FEED studies, and/or other paid engineering work and other project-specific work. The aim of this first phase is to demonstrate the viability of the carbon capture technology to de-risk the customers' FID for a full-scale project, which would be the basis for licensing revenues, outlined below. Revenue from engineering studies contributes to financing the Group's activities.

2. CapsolGo® demonstration units

In addition to the above revenue stream, the Group currently has two demonstration units which are rented out to customers to demonstrate the viability of the Group's technology, often taking place prior to the engineering studies as set out in point 1 above. The Group will shortly complete the construction and commissioning of its third unit, with its' first campaign planned for Sumitomo SHI FW ("SFW"), as described in Section 7.5.5 "The CapsolGo® program".

In addition to the abovementioned demonstration units, the Group offers demonstration units for liquifying CO₂, making it ready for transport and/or utilisation. These units are operated together with the CapsolGo® demonstration units. Currently one unit is operational in Germany, with a second unit under construction.

3. Licensing revenues

On the basis of phase 1, the customer may decide on a FID to go ahead with constructing the plant where the Group's CCS solutions are to be used. This decision will trigger the sale of the Group's patented technology in the form of licencing revenues to the Group. The amount of such licencing revenues will be subject to negotiations between the Group and the customer on a project-to-project basis and paid either as i) a percentage of the capital expenditures incurred in the carbon capture facility, ii) a nominal amount per tonne CO₂ captured as a one-time fee based on installed capacity, or iii) recurring revenue based on lifetime capture.

Today, the Group's licensable solutions consists of CapsolEoP® and in the future may also include CapsolGT® and potentially other not yet developed solutions.

Currently the Group receives all of its revenues from revenue streams number 1 and 2 above. With further growth the objective of the Group is, however, to earn most of the revenues from revenue stream number 3 above, as this revenue stream will provide the Group with the highest revenue potential for its licenced intellectual property and at high margins.

The above-mentioned revenue streams do not constitute different reporting segments, as the Group's offerings are based on the same carbon capture solution technology and reported as one operating segment, which is the carbon capture solution technology. The Group's performance and resource allocation is monitored by the Board of Directors using consolidated Group financials based on the accounting principles of the Annual Financial Statements. The Group's primary measure of results is operating income/-loss.

Please refer to Section 6.5 "*Key geographies*" and note 3.2 "*revenue recognition*" in the Annual Financial Statements for an overview of the geographical distribution of the Group's revenue streams.

7.2.2 The Group's solutions for carbon capture

The Group offers technology for carbon capture from large point source emitters marketed as the CapsolEoP® solution, which is a cost-effective, scalable, and retrofittable end-of-pipe facility used to capture CO₂ from power plants and industrial facilities. CapsolEoP® is a patented post-combustion carbon capture technology utilising the safe and environmentally friendly solvent potassium carbonate. CapsolGT®, the Group's technology for gas turbines, provides a cost-effective solution for open-cycle gas turbine facilities for which flue gases typically have low CO₂ concentration levels.

Carbon capture forms part of the CCUS value chain, being the process of capturing CO₂ from industrial emitters, for use or storage, thus preventing the captured CO₂ from being released into the atmosphere.

The Group seeks to work as an enabler and technology provider in carbon capture projects together with engineering, procurement, and construction ("EPC") contractors and/or owners of power plants or industrial facilities. Once a capture unit is installed, the operator of the power plant or industrial facility will in most cases be responsible for operations. Furthermore, the owner of the power plant or industrial facility will be responsible for the captured CO₂ and is free to decide whether to utilize the CO₂ as a component in other industrial processes or for enhanced oil recovery (CO₂-EOR) or transport the CO₂ to a geologically safe long-term storage.

The technology is considered safe and environmentally friendly and has been demonstrated at customer emitting sites in three successful pilot projects with more than 3,300 operating hours⁵⁰, in addition to CapsolGo® demonstration campaigns in Sweden and Germany with approximately of 8,000 operating hours.⁵¹ Furthermore, the technology is considered refined and well-documented with an estimated Technology Readiness Level⁵² (“TRL”) of TRL 9 for syngas projects⁵³ and TRL 7-8 for power plants, incineration plants, EfW and industrial facilities. The estimated TRL levels are based on our own internal assessments using well-known industry standards, however, there are no guarantees that an external assessment of TRL levels would result in the same conclusion. The TRL spans nine levels from 1 to 9, where TRL 9 represents technology in its final form, operated under the full range of operating mission conditions.

The Group has entered into certain agreements relating to potential collaboration/partnerships regarding the development, commercial application and/or delivery of carbon capture solutions and technology. Details on important agreements and arrangements are set out in Section 7.5 “Key projects” and Section 7.6 “Partnerships” below.

The Group’s product portfolio currently consists of CapsolEoP®, CapsolGo® carbon capture demonstration units (some including an additional unit to liquify the CO₂) and CapsolGT®.

	 CapsolGo®	 CapsolEoP®	 CapsolGT®
Description	Mobile demonstration unit with all-inclusive service package.	A full capture solution for CO ₂ -emitting industries	Carbon capture solution for gas turbines in open cycle application 4-100+ MWe
Rationale	Accelerate investment decision for full-scale carbon capture plant	Offer an attractive solution for large-scale industrial CO ₂ -emitters	Offer an affordable solution for open-cycle gas turbine facilities with low CO ₂ concentration
Capacity	up to 700 tonnes CO ₂ /year	100 000+ tonnes CO ₂ /year	12 000 - 400 000+ tonnes CO ₂ /year
Project specific capture rate typically	According to demonstration test matrix, up to 95%+	90-95%+	90-95%+
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	Gas power plants (used for electricity production or other industrial purposes). Brought to market together with leading gas turbine suppliers, for example GE Vernova
Contracts won	Two units currently in operation in Germany, one in construction to be deployed Q2 2024 in the Nordics	Technology license agreement with Stockholm Exergi for a Bioenergy Carbon Capture and Storage (BECCS) project. Final Investment Decision (FID) targeted Q1 2024. Frame license agreement with large European utility with several waste-to-energy (WtE) and biomass plants (BECCS)	Awarded Pre-FEED study by a leading gas turbine provider

7.2.2.1 CapsolEoP® (End-of-Pipe)

The CapsolEoP® solution is a patented post-combustion carbon capture technology utilizing the safe and environmentally friendly solvent potassium carbonate. The chemical mixture used in the HPC process is based on potassium carbonate dissolved in water, sometimes together with a chemical activator and a corrosion inhibitor, to decrease the corrosion rate of the material that comes into contact with the fluid.

⁵⁰ Source: Company information. The three pilot projects include a coal plant in the US, a bio plant in Sweden, in addition to a pilot at Stockholm Exergi.

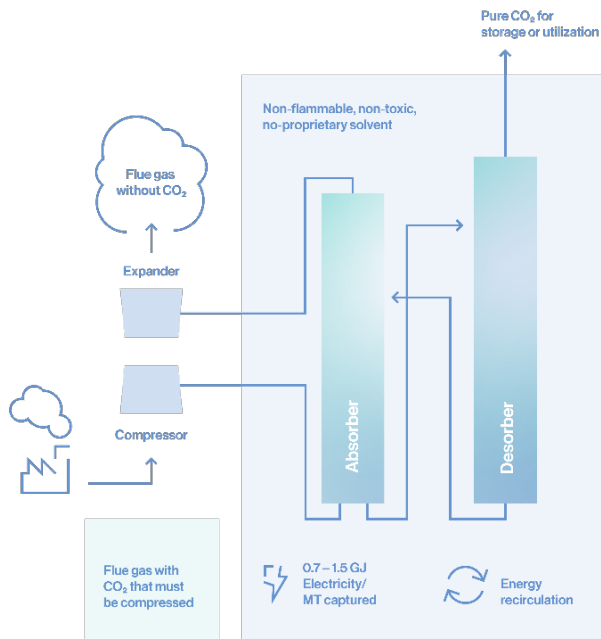
⁵¹ Source: Internal estimates based on several campaigns

⁵² TRL is widely used in industry to define the maturity of a technology or components of a system. There is no body that governs TRL, they are defined by how the technology is applied today. TRL 8 = System complete and qualified, TRL 9 = Actual system proven in operational environment.

⁵³ Source: Internal company opinion based on over 700 licensed units. Source: Increasing Efficiency of Hot Potassium Carbonate CO₂ Removal Systems, UoP Honeywell (<https://docslib.org/doc/4587671/increasing-efficiency-of-hot-potassium-carbonate-co2-removal-systems>)

The solution is flexible and can be optimized in a number of ways to adapt the technology to final plant requirements. The solution may be applied by a wide range of large-scale emitters like cement, steel, biomass, power production, process and chemical industry, EfW, LNG and hydrogen.

A pressurized system is essential in the process since the potassium carbonate chemical reaction with CO₂ are more efficient under high pressure. When the pressure increase, the molecules have less space in which they can move, which leads to a higher density of molecules, which in turn increases the number of collisions and speeds up the reaction time.

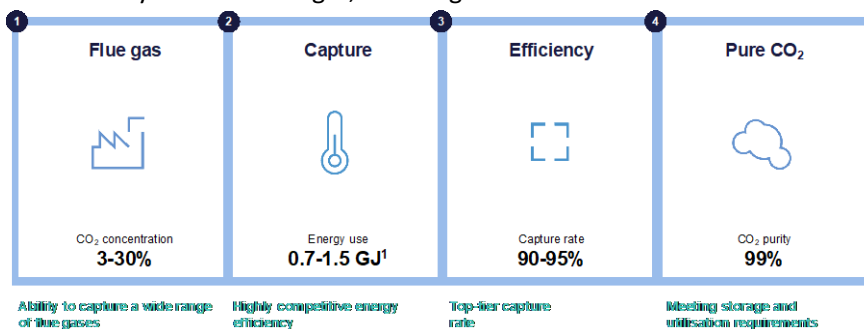


The solution utilises patented technology for the recirculation of heat that can increase the efficiency of the absorption/desorption process in conjunction with HPC.

The capture unit itself can be powered by electricity only, and there is thus no need to invest in steam production to run the capture unit and the unit can be run on 100% renewable electricity. However, it is possible to integrate the unit with process steam from the mother plant if available to further improve economics.

According to internal company estimates, the solution has a capture capacity of up to 2.5 million tonnes of CO₂ per year for a single process train⁵⁴, limited by the compressor capacity. This assumes a large compressor with a capacity of 450 kg/s, a CO₂ content of 18-20% in the flue gas and annual operating time of 8,000 hours. CapsolEoP[®] is easily scalable as multiple units can be deployed for larger projects.

The captured CO₂ has very low oxygen content and is free of degraded (potentially carcinogenic) amines and is suitable for technical use. In addition, the CapsolEoP[®] solution absorbs impurities such as SO₂, NOx and mercury from the flue gas, resulting in near-zero emissions.



⁵⁴ Source: Company information

CapsolEoP®'s key technology advantages:

1. Inherent (in-built) heat recovery
2. Stand-alone capture unit
3. Safe and environmentally friendly solution

Combined, the Group is of the opinion that these factors can result in lower capital expenditures and operating expenses, reduced risk and short lead time.

7.2.2.2 CapsolGo®

CapsolGo® is a mobile carbon capture demonstration unit designed to accelerate emitters' investment decisions by allowing customers to verify the Group's technology effectiveness on the emitters' facilities and unique mix of flue gas before investing in a full-scale plant using CapsolEoP® solutions. It is provided with an all-inclusive package transport, installation, de-installation, operation, and reporting by an independent party. CapsolGo® is a solution that may be used by our key target industries, including but not limited to cement, EfW, power generation or other large industrial facilities.

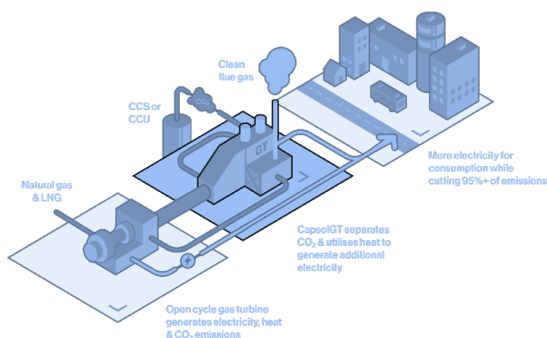
From Q2 2024, the Group aims to have three CapsolGo® units in operation with a capacity to capture 3,000 tonnes of CO₂ per year and complete 15,000 operation hours per year. The demonstration units provide valuable insights for the Group's customers in their technology verification process leading up to the FID, increasing belief in both the processing capabilities of the technology solution on their unique flue gas composition as well as in the HPC process. With approximately 8,000 operating hours on the solution, the Group believes that the technology is refined and ready for broader commercial use. For further information regarding CapsolGo® projects, please refer to Section 7.5.5 *"The CapsolGo® program"*.

The typical contract length is 3-12 months, where the solution is deployed on-site at customers' facilities.



Source: Capsol Technologies

7.2.2.3 CapsolGT®



Building on the CapsolEoP® technology, the company has developed an energy-efficient solution for capturing CO₂ from gas turbines named CapsolGT®.

CapsolGT® is developed and promoted together with leading gas turbine suppliers such as GE Verona ensuring broad compatibility.⁵⁵

Based on studies, the solution has the potential to make carbon capture from gas power plants profitable for their owners. Specifically, in the US, where the total cost of capture, transport and storage using the Group’s solution can come in below the USD 85 per tonnes offered as 12-year tax credit support for projects with the start of construction within 1 January 2026.

CapsolGT® replaces the traditional steam cycle⁵⁶, reduces complexity, and introduces carbon capture as a potential net profit contributor. The solution can potentially also be applied to a variety of industrial applications, such as gas engines, diesel generators and other industrial facilities where hot waste heat streams can be utilised.

Part of the proceeds from the Private Placement will be directed at fast-tracking the deployment of CapsolGT®. The Group is working towards presenting the results of its first pre-FEED study to gas turbine operators and project developers in Q2 2024.

7.3 History and important events in the development of the Company’s business

The table below provides an overview of key events in the history of the Company:

Date	Event
2003	Conceptual idea and preparation of first patent by Sargas AS. Started to adapt the conventional HPC process to CO ₂ capture.
2008	Completed a successful test at the Värtan power plant in Stockholm, Sweden (today known as Stockholm Exergi).
2008-2014	Sargas AS filed a series of patents related to the HPC technology.
2014	Establishment of CO ₂ Capsol AS and acquisition of HPC technology patent portfolio from Sargas AS.
2015	Filed the Core Patent, <i>Method and plant for CO₂ capture</i> .
2019	Selected as preferred capture solution for Stockholm biomass power plant pilot.

⁵⁵ Source: GE Verona has the largest fleet on a megawatt basis and ~7,000 installed gas turbines (<https://www.gevernova.com/investors>) (free source)

⁵⁶ The traditional steam cycle produces additional electricity from the gas turbine waste heat

2020	NOK 75,000,000 raised in a private placement in December 2020.
2021	Memorandum of Understanding (“ MoU ”) signed with Petrofac in September 2021. Under the terms of the non-exclusive agreement, Petrofac will work as a preferred engineering services partner to support the Company’s carbon capture opportunities across the UK, Europe and over time, globally.
	NOK 55,000,000 raised in a private placement in October 2021.
	Listing on Euronext Growth Oslo in December 2021.
	LOI signed with Norske Skog Sagbrugs AS to explore possibilities of a future strategic partnership related to the development and commercial application of carbon capture solutions.
2022	On 9 July 2022, the Company signed a license patent agreement with Stockholm Exergi for the use of the Company’s carbon capture technology at Stockholm Exergi’s biomass powered Combined Heat and Power (“ CHP ”) plant at Värtaverket in Stockholm. The facility has the potential of capturing 800,000 tonnes of CO ₂ per year.
	The first CapsolGo® unit was installed at Öresundskraft’s EfW power plant Filbornaverket (Helsingborg, Sweden). Operations with flue gas from Filbornaverket with HPC started in October 2022 and the campaign was concluded in May 2023.
	On 13 November 2022, the Company signed a collaboration agreement with Eickmeyer & Associates Inc. (“ Eickmeyer ”), a company providing, under the CATACARB® brand, process design and engineering services for carbon capture plants utilising HPC.
	In November 2022, Capsol signed a 12-month contract for the delivery of two CapsolGo® demonstration campaigns, one at an EfW and one at a biomass-fired CHP plant both of a major German energy company.
	On 21 December 2022 Capsol signed a cooperation agreement with SFW to develop and deliver carbon capture plants for EfW and biomass-fuelled CHP facilities based on Capsol’s technology.
2023	In March 2023, the Company announced entering into an agreement with a major German energy company for the delivery of a liquefaction unit that can be used together with the CapsolGo® carbon capture demonstration unit.
	On 11 May 2023, Capsol Technologies has signed a 5-month contract for the delivery of a CapsolGo® demonstration campaign at EEW’s EfW plant in Hannover, Germany.
	In June 2023, the Company changed its name from CO2 Capsol AS to Capsol Technologies ASA, and in October it was transformed from a private limited liability company (AS) to a public limited liability company (ASA).
	On 12 July 2023, the Company was awarded a feasibility study for carbon capture at a cement plant in Northern Europe. The award was the Group’s first paid engineering study on a cement plan. The company is seeing an increasing amount of requests and sales engineering work in the cement sector.
	On 1 September 2023, the Company and GE Vernova sign collaboration agreement to explore CapsolGT® solution on GE Aero-derivative gas turbines.
	On 31 October 2023, the Company announced entering into an agreement with SFW for two CapsolGo® demonstration campaigns to be executed at their customer base in the Nordics. Due to the strong and increasing demand for such demonstration campaigns, the Company ordered its third CapsolGo® demonstration unit.

	<p>On 27 December 2023, the Company signed a Frame License Agreement for the use of CapsolEoP® in full-scale carbon capture projects with a European utility owning many 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 CO₂ per year. The agreed license fee is within the previously communicated range. FID, which triggers a license fee payment to the Company, is expected within 24 months of the contract date. Engineering packages will be provided on a paid basis.</p>
2024	<p>On 12 February 2024, a global provider of gas turbines has awarded the Company a pre-FEED (Front-End Engineering Design) study to develop a customised CapsolGT® carbon capture solution for several gas turbine types used in open cycle applications. The project aims to create a standardised plant design, outlining commercial details and technical performance for the deployment of CapsolGT® in North America and the Middle East.</p> <p>On 14 February 2024, the Company announced a new collaboration with Munters, a global leader in energy efficient air treatment and climate control solutions. The partnership aims to further enhance the efficiency and effectiveness of Capsol’s proprietary process for capturing CO₂ from industrial emissions.</p> <p>On 16 February 2024, a successful completion of a Private Placement, raising gross proceeds of approx. NOK 88,270,000 million.</p> <p>On 18 March 2024, the Company entered a preliminary license agreement for the use of CapsolEoP® carbon capture solution at KVA Linth’s waste-to-energy plant located in Switzerland.</p> <p>On 20 March 2024, Capsol was awarded an engineering study for the CapsolEoP® carbon capture technology at a cement plant in Cauldon, in Stoke on Trent, by Aggregate Industries UK Ltd, owned by Holcim Group, which is the world’s largest producer of cement.</p>

7.4 Strategy and objectives

The Group’s overarching purpose is to accelerate the world’s transition to a net zero future by delivering safe and energy-efficient carbon capture technologies. The Group is targeting substantial long-term growth and value creation with a scalable technology licensing model. The strategy is to focus on hard-to-abate industries where the Group’s solutions have well-defined competitive advantages and engage in partnerships with leading companies globally to further improve value propositions and extend reach. The Group’s current sources of revenue are paid engineering studies, test campaigns and licensing agreements, respectively.

Key market-related value drivers include the implementation and strength of regulatory carbon capture incentives globally, the voluntary demand for carbon removal credits (as generated by BECCS and other negative emission solutions), the development of robust carbon capture, transport and storage infrastructure, and cost levels. Key company-related value drivers include expansion of strategic partnerships, technology cost competitiveness, product expansion, geographical footprint and reach, and cost and efficiency improvements through standardisation and scaling of solutions and processes.

A viable path to net zero requires 1 billion tonnes of additional carbon capture capacity to be sanctioned by the end 2030 compared to current capacity levels below 100 million tonnes of CO₂ per year, according to Rystad Energy, which estimates accelerating carbon capture capacity growth 2030-2040.⁵⁷

With a target licensing revenue of EUR 10-15⁵⁸ per tonne of installed capacity, this represents a EUR 10-15 billion revenue opportunity for the Group over the coming decade based on the current business model. Based on the Group's target carbon capture technology market share of 5-10%, the potential revenue is EUR 0.5-1.5 billion over the period. The Group has a long-term pre-tax profit margin target of 40-60%. The Group's main competitive advantages relates to its ability to offer reduced capture costs and superior HSE to large emitters, which are considered key demand drivers in the industry, and a scalable business model that can generate strong returns while limiting balance sheet risk. Key risk factors are reviewed annually, and mitigating actions are overseen by the Board of Directors.

For 2024, the Group's strategic focus across the Group's functions are as follows:

- **Strategy:** Optimise business model and expand strategic partnerships.
- **Finance and capital markets:** Ensure access to capital at a fair cost and maintain capital .
- **Technology:** Continue developing and protecting cost advantage to ensure long-term competitiveness.
- **Product:** Commercialise new products and services to expand the serviceable market and increase revenue per project.
- **Sales and marketing:** Increase brand awareness and expand geographical footprint to ensure access to viable CCS projects.
- **Engineering and implementation:** Increase engineering capacity and streamline delivery model to convert more opportunities to sales.

By 2030, the Group aims to be among the top three market leaders in its key target industries: EfW, biomass, cement and gas turbines, and top five position within these industries in the short to medium term (2025).

Key challenges for the implementation of the Group's strategy include:

- **Scale:** The Group is a relatively small player compared to its main competitors, with limited resources, and the potential for competitors to develop superior technologies through significant financial investment and delivery capability.
- **Business model:** The capital-light model may impact the Group's potential serviceable market size, as some customers may prefer a single, comprehensive delivery partner for the construction, commissioning, technology and operation of carbon capture solutions.
- **Technology deployment capabilities:** The Group's operations encompass several activities that are critical for its success, including the development of competitive technology and the provision of engineering expertise. Given the technical and specialised nature of these core activities, it is necessary to have skilled technology experts. The challenge is to balance the innovation in new carbon capture technologies while still ensuring delivery capability for customers.

⁵⁷ Source: Company estimates based on Rystad's 1.6dg scenario (underlying data requires membership but illustrated on page 33 in the prospectus). The graph estimates 475MTPA installed capacity by 2030 and 1,471 MTPA by 2035. For this to be realized, 1,000 MTPA capacity would need to be sanctioned (i.e. either installed or sanctioned and not installed) by 2030

⁵⁸ The Group has previously operated with a range of EUR 7-12 per tonne, but this range has been adjusted based on inflation and recently signed agreements

Key milestones for 2024 in the de-risking of the Group's medium and long-term objectives includes:

- the establishment of a US office to serve North America, the world's largest CCS market;
- the commercialization of CapsolGT[®], our simple cycle gas turbine offering;
- the expansion of the fleet of CapsolGo[®] demonstration units; and
- the Listing, which will broaden the available investor universe and access to capital.

To reflect the Group's move from offering one carbon capture technology to having a portfolio of technologies leveraging the same energy-efficient core process, the name of the company was changed to Capsol Technologies AS from CO2 Capsol AS in May 2023.

7.5 Key projects

7.5.1 Overview

The Group is involved in several projects and is currently working on multiple potential projects, from early-stage discussions to in-depth studies and evaluations. By the end of 2023, the Group had a sales pipeline of 169 projects totalling more than 55 million tonnes of CO₂. Of these, 144 projects were in the first phase (sales engineering), while 16 projects have matured into later phases (engineering studies) totalling 9 million tonnes of CO₂.

In addition, the Group has performed or secured six CapsolGo[®] carbon capture demonstration projects totalling 1.75 million tonnes of CO₂ if developed into full-scale capture plants. Two of these projects have been concluded while two are ongoing. The last two projects are related to the new demonstration unit that will be delivered during Q2 2024. Please see Section 7.2.2.2 "*CapsolGo[®]*" and 7.5.5 "*The CapsolGo[®] program*".

The timing of project commencement is often uncertain and dependent on a number of factors. For the development of full-scale plants based on the Group's technology for which licence fees are received, the key event is the FID, as this is when the initial licence payments are made. Typically, the full licence fee is paid from the date of FID and during the construction period of the plant, which may vary, but is typically between 18 and 36 months. Unless otherwise stated, the target date for the FID has not been communicated by the customers.

7.5.2 License Agreement with Stockholm Exergi carbon capture project (BECCS)

The Company started engaging with Stockholm Exergi, the provider of power, district heating and cooling to the city of Stockholm, in 2018. At this time, Stockholm Exergi undertook a comprehensive study on carbon capture solutions for its biomass-fired combined heat and power plant at Värtaverket. The Group's technology was selected as the preferred solution based on this study.

On 1 April 2022, it was announced that the EU's Innovation Fund will contribute EUR 180,000,000 in funding to the project.

On 9 July 2022, the Company signed a license patent agreement with Stockholm Exergi for the use of the Group's HPC carbon capture technology at Stockholm Exergi's biomass-powered CHP plant at Värtaverket in Stockholm. The facility has the potential of capturing 800,000 tonnes of CO₂ per year.

Environmental permit applications were submitted in March 2023. On 26 July 2023, Saipem and Stockholm Exergi signed a LOI for EPC activities for the carbon capture unit, the CO₂ storage, as well as the ship loading

systems for CO₂ transportation. In March 2024 the environmental permit applications were approved, reaching a significant milestone towards the FID.

On 6 May 2024 Stockholm Exergi announced that it has signed a contract with Microsoft covering 3.33 million tonnes of permanent carbon removals from BECCS at Värtan, Stockholm. The agreement represents the world's largest permanent removals deal to date. The deliveries of the carbon removal certificates to Microsoft are planned to start in 2028 and continue for a period of ten years. Furthermore, it was announced that target FID date is Q4 2024 with start of construction in 2025.

The commercial terms for the Group in this project are set but are subject to Stockholm Exergi reaching FID. The financial and operating impact of the FID not being made on or before 31 December 2024 can be found in Section 10.2 "*Key factors affecting the Group's results of operations and financial performance*".

7.5.3 Frame license agreement

On 27 December 2023, the Company signed a Frame license agreement for the use of CapsolEoP® in full-scale carbon capture projects with a European utility owning many 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 CO₂ per year.

The agreed license fee is within the range of EUR 10-15 per tonne installed capacity. FID, which triggers a license fee payment to the Group, is expected within 24 months of the contract date. Engineering packages are provided on a paid basis. The agreement does not commit the counterparty to select the Group's technology.

7.5.4 Preliminary license agreement with KVA Linth

On 18 March 2024, the Company entered a preliminary license agreement for the use of CapsolEoP® carbon capture solution at KVA Linth's EfW plant located in Switzerland. The plant will have a carbon capture potential of more than 120,000 tonnes of CO₂ per year, of which half of the CO₂ is biogenic.

In the current project phase, KVA Linth conducts parallel design studies with HPC and amine-based carbon capture technologies. As part of the preliminary license agreement, the Group will provide the carbon capture plant design within the next months, to support KVA Linth in making its technology decision.

7.5.5 The CapsolGo® program

The Group has developed an easy and affordable way for large-scale CO₂-emitters to test and verify the effectiveness of the Group's HPC technology on the customer's specific flue gas and processes, helping the customer to accelerate the decision towards a full-scale carbon capture plant. A CapsolGo® demonstration campaign is delivered as a service with a flexible testing and validation program performed by an independent third party, providing customers with valuable data and information on the Group's HPC carbon capture technology. With the CapsolGo® demonstration units, the Group provides an easy and affordable way for large-scale CO₂-emitters to test the Group's energy-efficient and cost competitive carbon capture technology on their own plant and flue gas.

The first CapsolGo® demonstration unit was installed at Öresundskraft's EfW power plant Filbornaverket (Helsingborg, Sweden). Operation with flue gas from Filbornaverket with HPC started in October 2022 and the campaign was concluded in May 2023. At the date of this Prospectus, the Group has two CapsolGo® demonstration units in operation and a third unit will be delivered during the Q2 2024. The two existing

CapsolGo® demonstration units are currently operating in two different CapsolGo® demonstration campaigns in Germany. The third CapsolGo® demonstration unit will be commissioned in Sweden where two CapsolGo® demonstration campaigns will be carried out.

In March 2023, the Company announced entering into an agreement with a major German energy company for the delivery of the second liquefaction unit that can be used together with the CapsolGo® carbon capture demonstration unit. The project will be part of the existing 12-month contract for delivery of two CapsolGo® demonstration campaigns to the customer, executed at one EfW and one biomass-fired CHP plant. Simultaneously, the Company also signed a contract to build and deliver the unit.

On 31 October 2023, the Company announced entering into an agreement with SFW for two CapsolGo® demonstration campaigns to be executed at their customer base in the Nordics. Due to the strong and increasing demand for such demonstration campaigns, the Company therefore ordered its third CapsolGo® demonstration unit. The CapsolGo® campaigns will provide valuable data to both the industrial emitters, supporting their investment decisions, and to the Company and SFW in the efforts to optimise and standardise full-scale carbon capture plants to reduce cost and delivery time.

The Company has entered into three loan agreements with the Norwegian bank DNB for financing of the CapsolGo® demonstration and liquefaction units.

7.6 Partnerships

Global partnerships are an important part of the Group's global scaling strategy, aimed at value enhancement throughout the CCS chain, sales and marketing and plant delivery.

7.6.1 Collaboration with Munters

The Company has a collaboration with Munters, a global leader in energy efficient air treatment and climate control solutions. The partnership aims to further enhance the efficiency and effectiveness of the Company's proprietary process for capturing CO₂ from industrial emissions.

Munters, known for its advanced solutions within packed towers, mist elimination, and dehumidifying technologies, brings valuable expertise to this collaboration. Together, the companies will focus on joint R&D efforts to engineer and test state-of-the-art packed towers, optimising them for the Company's process to further enhance performance while reducing energy consumption and operational costs.

7.6.2 Frame agreement with Carbon Circle

The Company has a frame agreement with Carbon Circle, an EPC provider for carbon capture plants. Carbon Circle will support the Company's technical experts in the implementation of the Company's licensed carbon capture technologies on selected projects.

7.6.3 MoU with Storegga Limited

The Company and Storegga Limited, an independent, UK-based decarbonization development business, has a MoU outlining collaboration for opportunities in commercial development of large-scale CO₂ capture, transportation, and permanent storage.

The Company and Storegga Limited will on a mutually beneficial and non-exclusive basis identify, pursue, and develop large-scale CO₂ value chain projects, leveraging the Company's expertise and engineering

capabilities within HPC carbon capture technology, and Storegga's competency and experience in CO₂ transportation and permanent storage, with the goal of providing Carbon Capture as-a-Service ("CCaaS").

7.6.4 Collaboration with GE Vernova for CapsolGT®

The Company and GE Vernova's gas power business have signed a collaboration agreement with an aim to offer lower-carbon gas power by deploying GE Vernova's aeroderivative gas turbines in combination with CapsolGT® carbon capture plants. A first project-specific third-party collaboration agreement with Marine Low Carbon Power Company Limited has been signed for gas-to-wire projects.

7.6.5 MoU with Siemens Energy

The Company and Siemens Energy have signed a MoU, on a non-exclusive basis, for Siemens Energy to be a preferred equipment supplier in the deployment of the Company's carbon capture technologies CapsolEoP® and CapsolGT®. Through optimising sales and delivery of key equipment, such as compressor and expander packages, the Company and Siemens Energy aim to make their solution to large-scale CO₂ emitters even more efficient and scalable.

7.6.6 Collaboration with Sumitomo SHI FW

Cooperation agreement with SFW to develop and deliver standardized carbon capture plants for EfW and biomass-fuelled CHP facilities based on the Group's technology.

SFW has a wide and strong foothold in the global energy, waste, and process industries, which are served by its 1,800 employees across 20 locations in 14 countries. SFW has execution and service hubs in Europe, Asia, and North America with manufacturing facilities in China, Poland, Thailand, Finland, and Sweden. The Company is part of the Japanese Sumitomo Heavy Industries Group.

7.6.7 Collaboration Agreement with Eickmeyer & Associates Inc.

Collaboration agreement with Eickmeyer, a US company providing, under the CATAcarb® brand, process design and engineering services for carbon capture plants utilizing HPC technology. As the Company's technology is based on the HPC process, the agreement provides valuable know-how and capacity.

7.6.8 MoU with Hitachi Zosen Inova

MoU with Hitachi Zosen Inova, a Swiss Japanese greentech company to collaborate on initiatives to implement the Group's HPC carbon capture technology on EfW plants.

Plant operators and key players in the EfW industry are increasingly looking to CCUS to decarbonize their plants. The main objective of the MoU is to bring together their combined expertise to develop a joint offering of solutions to accelerate the implementation of carbon capture solutions to the EfW industry, combining the Group's energy-efficient and cost-competitive CapsolEoP® technology utilising the safe potassium carbonate solvent, and Hitachi Zosen Inova's EPC experience to deliver turnkey EfW plants.

7.6.9 MoU with WOIMA

MoU on cooperation with WOIMA Finland Oy, a developer and supplier of the innovative wasteWOIMA® EfW power plants. The focus of the cooperation lies in the development and supply of small-scale modular carbon capture solutions primarily in connection with the wasteWOIMA® EfW power plant deliveries, or to existing CO₂-generating processes.

7.6.10 MoU with Petrofac

A non-exclusive MoU with one of the leading international service providers to the energy industry, Petrofac, which enables collaboration on different carbon capture projects (including the Stockholm Exergi project). Petrofac will operate as a preferred engineering service partner to support the Company's carbon capture opportunities across the UK, Europe and over time, globally. Both parties will bring together their combined expertise and capabilities, with Petrofac providing established engineering and project delivery expertise, and the Company providing carbon capture technology.

7.6.11 Partnership with Captimise for CapsolGo® campaigns

Captimise, a specialist within CCS with deep knowledge and over 15 years' experience of in CCS projects in the US and Europe, is acting as the independent testing operator for the CapsolGo® carbon capture demonstration campaigns. In addition to operating and testing, Captimise is evaluating the results in order to ensure objective test results.

7.6.12 Technology and intellectual property and the Group's dependency on contracts and licences

The Company's business includes a portfolio of technologies, consisting of a combination of patents, confidential know-how and proprietary methods. In total, 12 patent families are filed, of which 7 are granted.

The primary licensing IPR-asset is the CapsolEoP® solution, a carbon capture technology using the non-toxic and environmentally-friendly potassium carbonate solvent in conjunction with an energy recuperation process creating considerably lower carbon capture costs than comparative post-combustion carbon capture technologies. The invention is described in patent NO341515 "Method and plant for CO₂ capture" (the "Core Patent"). NO341515 is the priority founding patent and has been validated in 22 countries. The Capsol EoP technology is covered by patent family 7. The Core Patent is registered with the Company's wholly owned subsidiary Capsol-EoP AS as the owner and licensed from Capsol-EoP AS to the Company. The Company is planning to carry out a merger with Capsol-EoP AS after which the Core Patent will be owned by the Company.

Overview of patent families:

- PF1: Method and device for transport of natural gas and CO₂ by alternating storage in a tank facility
- PF2: Method for transport of natural gas from a gas field to a terminal
- PF3: Method and device for separation of CO₂ from a gas turbine
- PF4: Method and device for cleaning of flue gases from marine diesel engines
- PF5: Plant and system for generation of steam and recovery of CO₂ from oil-sand petroleum extraction
- PF6: Method and plant for power generation from carbonaceous fuel with CO₂ capture
- PF7: Method and device for capture of CO₂ from a flue gas with energy recuperation
- PF8: Method and plant for energy recuperation in a CO₂-capture plant
- PF9: Method for heat integration of a CO₂-capture plant with district heating
- PF10: Method and device for carbon capture from gas turbines
- PF11: Method and device for regeneration of a CO₂-absorbent
- PF12: Arrangement for increased energy output in a CO₂ capture plant

Patents have been granted for families 1 through 7. Family 8 awaits final formalities in Norway, while its PCT application is being processed in the United States. Family 9 has received a positive assessment of

patentability under the PCT and is now moving to national phases. Family 10 is currently in the PCT stage, supported by strong arguments for patentability. Patent family 11 and 12 are currently at the application stage, awaiting first office actions.

While the technologies covered by PF 1 -6 and PF 8-12 are not presently being actively used as intellectual property assets through licensing, there exists strong potential for such utilization as the carbon capture market evolves.

The Company is dependent upon its CapsolEoP[®] technology and the Core Patent as set out above, in order to realise its business plan. The Core Patent (PF7) and the patent families 9-12 are the material patents of the Company, whilst patent families 1-6 and 8 are not as material.

7.7 Material contracts

The Group has a portfolio of study and front-end engineering and design study contracts in addition to CapsolGo[®] demonstration campaigns and technology licensing agreements. The Group has not entered into any material contracts outside of the ordinary course of business as at the date of this Prospectus.

7.8 Regulatory environment

7.8.1 Overview

In North America and Europe, demand is driven by new incentives. US' Infrastructure Investment and Jobs Act from 2021 included USD 12 billion to be spent on CCS over five years⁵⁹, while the IRA increased the tax refund from USD 50 to USD 85 per tonne of CO₂ for carbon emissions captured and stored from industrial facilities and power plants.⁶⁰ It is estimated that in North America alone 317 million tonnes of CO₂ capture capacity is needed by 2030⁶¹, of which approximately 75% is within in the Group's target industries.⁶²

Canada has set a price on CO₂ emissions, rising from CAD 80 per tonne today to CAD 170 per tonne in 2030, and introduced a 50% refundable investment tax credit on capture equipment from 2022 to 2030, and 25% from 2030 to 2040, to support post-combustion CCUS projects, making it one of the most attractive carbon capture regimes in the world.⁶³

Europe is already home to the world's largest emissions-trading system and on 6 February 2024, the European Commission launched its net zero industrial carbon management strategy with an emission reduction target of 90% by 2040 and "earlier deployment of carbon capture". With the 90% reduction target by 2040 approximately 280 million tonnes of CO₂ will have to be captured by 2040 and around 450 million tonnes by 2050.⁶⁴ In addition, the EU has continued the support for CCUS through regional funding programs such as the CEF, the Innovation Fund and revisions to cross-border regulations to include CO₂ storage.

EU's Carbon Border Adjustment Mechanism (CBAM) entered into application in its transitional phase on 1 October 2023. Once fully phased in, from 2026, EU importers of cement will have to start paying allowances

⁵⁹ Source: <https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage>

⁶⁰ Source: <https://www.iea.org/policies/16255-inflation-reduction-act-2022-sec-13104-extension-and-modification-of-credit-for-carbon-oxide-sequestration>

⁶¹ Source: Rystad Energy CCSUS Project Database 2024

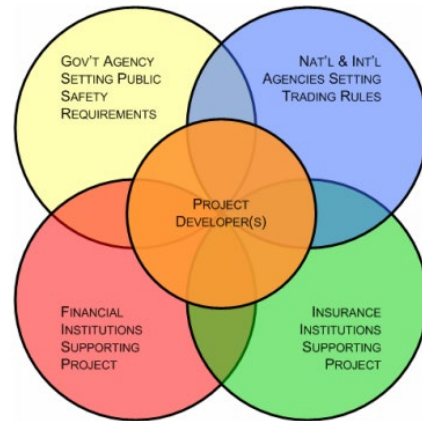
⁶² Source: Annual Financial Statements

⁶³ Source: <https://iea.org/reports/canada-2022/executive-summary>

⁶⁴ Source: https://ec.europa.eu/commission/presscorner/detail/en/qanda_24_586

equivalent to the EU ETS expressed in EUR per tonne, while at the same time EU domestic producers will lose the “free” emission allowances. As a result, cement producers in the EU and cement producers exporting to the EU will be fully exposed to the EU cost of CO₂ emission. With an ETS price of EUR 100 per tonne of CO₂ and estimated CO₂-emissions of 0.6 tonne CO₂ per tonne cement produced, the cost of imported cement would increase by 60%.

In assessing regulatory frameworks, it is imperative to recognize the key stakeholders involved. This includes government agencies and bodies responsible for establishing safety guidelines both locally and internationally, as well as the previously mentioned mechanisms such as incentive programs and tax regulations. In the CCUS value chain, regulatory oversight extends from entities overseeing health, safety, and environment standards to those governing the intricacies of planning, construction, CO₂ emissions, and the secure storage of CO₂. These varying regulatory landscapes present distinctive legal and regulatory challenges.



Source: ‘Regulatory and Policy Needs for Geological Sequestration of Carbon Dioxide’, Rubin, et.al

A key challenge in developing CCUS projects are country-specific regulatory aspects (or lack thereof) pertaining to project development. As an example, during the development of the Longship⁶⁵ project, state guarantees were provided to mitigate the risks from immature regulatory frameworks. The Group believes that regulations primarily impacting the construction of carbon capture assets and incentive mechanisms will have the most substantial effect on the Group’s activities but will also be influenced by policies surrounding site selection, transportation and sequestration.

7.8.2 Trends and issues

7.8.2.1 Strengthening of CCUS-specific legal and regulatory frameworks

Over the last year, several jurisdictions with advanced CCS-specific frameworks have continued to refine and strengthen their regulatory regimes, where the strongest regulatory regimes are still to be found in Europe and North America.⁶⁶ These advancements often build upon detailed models to address specific issues, remove remaining obstacles, or introduce new frameworks within sub-national regimes. Notably, in the United States, both federal and state levels have witnessed the development of new legislation to bolster existing regimes. State-level interventions have been particularly noteworthy, with several states enacting laws to regulate CCS activities. Federally, new legislation has been proposed to increase funding for CCS investment and enhance tax incentives for CO₂ storage, thereby reinforcing existing support measures. In Australia, where comprehensive legal and regulatory frameworks already exist across various jurisdictions, recent legislation enables CCS operations to generate revenue under the Federal government's Emissions Reduction Fund.

⁶⁵ Source: Longship Lessons Learned (<https://ccsnorway.com/publication/regulatory-lessons-learned/>)

⁶⁶ Source: Global CCS Institute Legal and Regulatory Indicator 2023 (<https://www.globalccsinstitute.com/wp-content/uploads/2023/10/CCS-Legal-and-Regulatory-Indicator-Report-Global-CCS-Institute-.pdf>)

7.8.2.2 Early-stage CCUS project facilitation

While legislative frameworks are still evolving across many jurisdictions globally, there's a noticeable increase in the number of announced CCS projects entering early development stages⁶⁷. These advancements often stem from supportive policy environments for the technology, backed by robust legal and regulatory frameworks. Nations across the globe are recognizing the importance of improving their regulatory environments to facilitate CCS project deployment. For example, in some countries, the development of CCS-specific legislation is becoming a key aspect of government responses to promote and incentivize technology deployment. This trend underscores a broader movement towards strengthening regulatory environments to foster CCS technology adoption and commercialization worldwide.

7.8.2.3 Transboundary CO₂ transportation

The legality and regulation of transboundary CO₂ movement for geological storage is a crucial consideration in many nations' CCS deployment strategies. The proposed development of industrial hubs, capable of receiving CO₂ from various sources, may entail cross-border CO₂ movement in some projects. Limited domestic storage capacity prompts nations to explore exporting captured CO₂ for industry decarbonization. Several nations, including Belgium, Denmark, and the UK, have ratified the 2009 London Protocol amendment, enabling CO₂ export for sub-seabed storage, with others provisionally applying it. Domestically, Belgium and Denmark have a MoU for CO₂ transportation, while similar discussions occur in Europe and Malaysia, reflecting a global effort to address cross-border CO₂ transportation within legal frameworks.

7.9 Legal and arbitration proceedings

The Group has not, during a period covering the last 12 months, been involved in any legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) which may have, or have had in the recent past, significant effects on the Group's and/or the Group's financial position or profitability.

8 CAPITALISATION AND INDEBTEDNESS

8.1 Introduction

The financial information presented below provides information about the Group's unaudited consolidated capitalization and net financial indebtedness on an actual basis as of 31 March 2024. The information should be read in conjunction with the other parts of the Prospectus, in particular Section 9 "*Selected financial information and other information*" and Section 10 "*Operating and financial review*" and the Interim Financial Information as of and for the three-month period ended 31 March 2024.

The financial information presented below provides information about the Group's unaudited consolidated capitalization and financial indebtedness on an actual basis as of 31 March 2024, in the "as adjusted" columns, the Group's unaudited consolidated capitalization and financial indebtedness as of 31 March 2024, on an adjusted basis to give effect to the Retail Offering as if the Retail Offering had happened on 31 March 2024.

The "as adjusted" columns reflects the Group's unaudited consolidated capitalization and net financial indebtedness as of 31 March 2024 adjusted for the assumed net proceeds from the Retail Offering received by the Company in the amount of approximately NOK 23,000,000, based on the Illustrative Offer Price (as

⁶⁷ Source: Global CCS Institute Legal and Regulatory Indicator 2023 (<https://www.globalccsinstitute.com/wp-content/uploads/2023/10/CCS-Legal-and-Regulatory-Indicator-Report-Global-CCS-Institute-.pdf>)

defined in Section 15.1) of NOK 13.30 per Offer Share and 2,250,000 Offer Shares, each with a nominal value of NOK 0.5. Resulting in assumed gross proceeds from the Retail Offering of the Offer Shares of approximately NOK 30,000,000 and expenses related to the Retail Offering and the Listing of NOK 7,000,000 payable by the Company. See Section 15 “The Terms of the Retail Offering” for further information.

Other than this, there have been no material changes to the Group’s capitalisation and net financial indebtedness since 31 March 2024.

8.2 Capitalisation

The following table sets forth information about the Group's unaudited consolidated capitalisation as of 31 March 2024, derived from the Interim Financial Information.

<i>(Amounts in NOK)</i>	As of 31 March 2024¹	Adjustment Amount	As adjusted
Indebtedness			
<i>Total current debt (including current portion of non-current debt):</i>			
Guaranteed	-	-	-
Secured ²	20,604,484	-	20,604,484
Unguaranteed/unsecured ³	23,632,088	-	23,632,088
<i>Total non-current debt (including current portion of non-current debt)</i>			
Guaranteed	-	-	-
Secured ⁴	48,270,845	-	48,270,845
Unguaranteed/Unsecured	-	-	-
Total indebtedness	92,507,417	-	92,507,417
Shareholders’ equity			
Share capital	30,269,334.50	1,125,000 ⁵	31,394,334.50
Share premium	159,708,745	21,875,000 ⁵	181,583,745
Other paid in capital	22,071,143	-	22,071,143
Other equity	(101,956,633)	-	(101,956,633)
Total shareholders’ equity	110,092,589	23,000,000	133,092,589
Total capitalisation	202,600,007	23,000,000	225,600,007

1. The data set forth in this column is derived from the unaudited 31 March 2024 figures included in the Interim Financial Information.
2. Current secured debt is comprised of current portion of debt to financial institutions of NOK 18,700,000 and current portion of lease liabilities of NOK 1,900,000 of which the Group has a rolling bank guarantee for six-months rent.
3. Current unguaranteed/unsecured comprise of trade creditors of NOK 5,500,000, contract liabilities of NOK 8,800,000, public duties payable of NOK 2,300,000 and other current liabilities of NOK 7,000,000.
4. Non-current secured debt is comprised of non-current portion of debt to financial institutions of NOK 42,100,000 and non-current portion of lease liabilities of NOK 6,100,000.
5. The assumed net proceeds from the sale of 2,250,000 Offer Shares at the Offer Price of NOK 13.30 per Offer Share, resulting in net proceeds of approximately NOK 23,000,000 (after deducting estimated expenses related to the Retail Offering and the Listing of NOK 7,000,000). Please see Section 15 “The terms of the Retail Offering”.

8.3 Net Financial indebtedness

The following table sets forth information about the Group's unaudited consolidated net financial indebtedness 31 March 2024, derived from the Interim Financial Information.

<i>(Amounts in NOK)</i>	As of 31 March 2024 ¹	Adjustment amount	As adjusted
Net indebtedness			
(A) Cash ²	97,265,015	23,000,000 ⁷	120,265,015
(B) Cash equivalents.....	-	-	-
(C) Other current financial assets ³	10,755,726	-	10,755,726
(D) Liquidity (A+B+C)	108,020,741	23,000,000	131,020,741
(E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt).....	-	-	-
(F) Current portion of non-current financial debt ⁴	20,604,484	-	20,604,484
(G) Current financial indebtedness (E+F)	20,604,484	-	20,604,484
(H) Net current financial indebtedness (G-D)	(87,416,257)	(23,000,000)	(110,416,257)
(I) Non-current financial debt (excluding current portion and debt instruments) ⁵	42,142,331	-	42,142,331
(J) Debt instruments.....	-	-	-
(K) Non-current trade and other payables ⁶	6,128,515	-	6,128,515
(L) Non-current financial indebtedness (I+J+K)	48,270,845	-	48,270,845
(M) Total financial indebtedness (H+L)	(39,145,412)	(23,000,000)	(62,145,412)

1. The data set forth in this column is derived from the unaudited 31 March 2024 figures included in the Interim Financial Information.
2. Cash is comprised of the cash and cash equivalents of NOK 97,300,000.
3. Other current financial assets comprise of accounts receivables of NOK 10,800,000.
4. Current portion of non-current debt is comprised of current portion of debt to financial institutions of NOK 18,700,000 and current portion of lease liabilities of NOK 1,900,000.
5. Non-current financial debt includes debt to financial institutions of NOK 42,100,000.
6. Non-current trade and other payables includes lease liabilities of NOK 6,100,000.
7. Adjusted for assumed net proceeds from the Retail Offering of approximately NOK 23,000,000.

8.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for the period covering at least 12 months from the date of this Prospectus. Please note that in preparing this statement the Company has not taken into account any net proceeds from the Retail Offering.

8.5 Contingent and indirect indebtedness

The Group has guarantees related to prepayments from customers and for the lease of offices. The bank guarantees the Group has provided totalled NOK 6,700,000 as of 31 December 2023. Although guarantees are financial instruments, they are considered contingent liabilities, and the notional amounts are not included in the financial statements. The Group does not have any contingent liabilities other than what is mentioned above.

Additionally, the Group has entered into an agreement to build a new CapsolGo[®] and one Liquefaction unit with Captimise AB and Aragon AS. The units are expected to be delivered in the second quarter of 2024. The total outstanding committed amount under the agreement as of 31 March 2024 was approximately NOK 20,200,000.

9 SELECTED FINANCIAL INFORMATION AND OTHER INFORMATION

9.1 Presentation of financial information

The following selected financial information has been extracted from the Group's audited consolidated financial statements as of and for the year ended 31 December 2023, 2022, and 2021 (the Annual Financial Statements) and from the Group's unaudited consolidated interim financial information as of and for the three-month periods ended 31 March 2024 and 31 March 2023 (the Interim Financial Information).

The Annual Financial Statements for the Group, included in Appendix B to this Prospectus, have been prepared in accordance with IFRS. The Interim Financial Information, included in Appendix C, have been prepared in accordance with IAS 34.

The selected consolidated financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Annual Financial Statements and Interim Financial Information and should be read together with Section 10 *"Operating and financial review"*.

9.2 Summary of accounting policies and principles

For information regarding accounting policies and principles, please refer to the notes in the Annual Financial Statements and the Interim Financial Information, attached hereto as Appendix B and Appendix C respectively.

9.3 Independent auditor

The Group's independent auditor is RSM Norge AS ("**RSM**"), with business registration number 982 316 588 and registered business address at Ruseløkkveien 30, 0251 Oslo, Norway. RSM is member of The Norwegian Institute of Public Accountants (Nw.: "Den Norske Revisorforening"). RSM has audited the Company's Annual Financial Statements as of and for the financial years ended 31 December 2023, 2022, and 2021. RSM has been the Group's independent auditor since 18 August 2021.

The independent auditor's report is included within the Annual Financial Statements which is included in Appendix B.

With respect to the Interim Financial Information, RSM has applied review procedures in accordance with ISRE 2400 *"Review of Interim Financial Information Performed by the Independent auditor"*. RSM's report is included together with the Interim Financial Information in Appendix C. RSM has not audited, reviewed, or produced any report on any other information provided in this Prospectus.

9.4 Consolidated statement of profit or loss

The table below sets out data from the Group's consolidated statement of profit or loss for the three-month periods ended 31 March 2024 and 31 March 2023 derived from the unaudited Interim Financial Information, and for the year ended 31 December 2023, 2022, and 2021 derived from the audited Annual Financial Statements. All line items are, unless otherwise disclosed are derived from the Annual Financial Statements.

<i>(Amounts in NOK)</i>	Three-month period ended 31 March		Year ended 31 December		
	2024 <i>(unaudited)</i>	2023 <i>(unaudited)</i>	2023 <i>(audited)</i>	2022 <i>(audited)</i>	2021 <i>(audited)</i>
Revenue	19,507,840	876,108	34,160,224	10,766,762	37,950
Other operating income	-	-	-	21,666	29,624
Total operating income	19,507,840	876,108	34,160,224	10,788,428	67,574
Cost of contract fulfilment	6,415,395	-	7,776,112	2,618,417	-
Personnel expenses.....	10,062,296	9,662,105	37,426,643	25,626,841	13,186,306
Depreciation expenses	2,399,355	1,099,792	8,169,069	1,247,568	828,942
Other operating expenses	6,327,879	2,713,032	22,269,643	15,774,138	11,273,382
Total operating expenses	25,204,925	13,474,929	75,641,466	45,266,964	25,288,630
Operating loss.....	(5,697,085)	(12,598,822)	(41,481,242)	(34,478,536)	(25,221,056)
Other interest income.....	209,346	11,312	1,010,364	-	1
Other financial income.....	1,718,887	89,818	3,990,313	919,364	4,126
Other interest expenses.....	(1,463,345)	(380,239)	(2,479,973)	(9,238)	(16,547)
Other financial expenses.....	(2,702,153)	(146,863)	(4,447,959)	(846,266)	(80,031)
Net financial income /(loss) .	(2,237,265)	(425,972)	(1,927,256)	63,860	(92,451)
Loss before income tax.....	(7,934,351)	(13,024,793)	(43,408,498)	(34,414,676)	(25,313,507)
Income tax expense	-	-	-	-	-
Net loss	(7,934,351)	(13,024,793)	(43,408,498)	(34,414,676)	(25,313,507)

9.5 Consolidated statement of financial position

The table below sets out data from the Group's consolidated statement of financial position for the three-month periods ended 31 March 2024 and 31 March 2023 derived from the unaudited Interim Financial Information, and for the year ended 31 December 2023, 2022, and 2021 derived from the audited Annual Financial Statements. All line items are, unless otherwise disclosed are derived from the Annual Financial Statements.

<i>(Amounts in NOK)</i>	Three-month period ended 31 March		Year ended 31 December		
	2024 <i>(Unaudited)</i>	2023 <i>(Unaudited)</i>	2023 <i>(Audited)</i>	2022 <i>(Audited)</i>	2021 <i>(Audited)</i>
ASSETS					
Intangible assets.....	7,229,563	6,368,963	7,337,512	6,476,912	6,908,706
Plant, property, and equipment.....	68,043,355	39,857,070	67,267,596	23,592,281	2,964,720
Right of use assets.....	8,012,373	-	8,522,788	132,382	661,912
Total non-current assets.....	83,285,291	46,226,033	83,127,897	30,201,576	10,535,338
Accounts receivables.....	10,755,726	4,162,837	9,821,949	1,995,475	-
Contracts assets	1,044,131	539,480	1,735,104	-	-
Other current receivables	10,249,843	11,128,717	9,426,653	8,536,628	2,034,746
Cash and cash equivalents	97,265,015	38,605,959	41,615,681	61,565,235	85,143,548
Total current assets	119,314,715	54,436,994	62,599,387	72,097,338	87,178,294
Total assets	202,600,007	100,663,028	145,727,285	102,298,915	97,713,632

	Three-month period ended 31 March		Year ended 31 December		
	2024 (Unaudited)	2023 (Unaudited)	2023 (Audited)	2022 (Audited)	2021 (Audited)
<i>(Amounts in NOK)</i>					
EQUITY AND LIABILITIES					
Share capital.....	30,269,334	53,533,395	26,766,698	53,533,395	50,582,776
Share premium.....	159,708,745	81,072,850	81,072,850	81,072,850	75,064,800
Other paid in capital.....	22,071,143	16,305,333	20,107,188	14,467,512	4,425,610
Other equity.....	(101,956,633)	(90,404,504)	(94,022,283)	(77,379,714)	(42,964,575)
Total equity.....	110,092,589	60,507,074	33,924,453	71,694,043	87,108,611
Lease liabilities.....	6,128,515	-	6,621,710	-	144,729
Debt to financial institutions.....	42,142,331	12,506,008	45,212,693	18,400,000	-
Total non-current liabilities.....	48,270,845	12,506,008	51,834,403	18,400,000	144,729
Trade creditors.....	5,518,060	8,940,207	15,324,695	1,372,646	5,415,717
Lease liabilities.....	1,917,100	-	1,880,567	144,729	532,642
Contract liabilities.....	8,813,916	3,279,105	13,660,071	-	-
Current portion of debt to financial institution..	18,687,384	9,343,992	18,500,894	4,600,000	-
Public duties payable.....	2,291,010	1,029,439	3,070,631	1,388,218	729,277
Other current liabilities.....	7,009,101	5,057,204	7,531,571	4,699,280	3,782,656
Total current liabilities.....	44,236,572	27,649,947	59,968,429	12,204,872	10,460,292
Total liabilities.....	92,507,417	40,155,955	111,802,832	30,604,872	10,605,021
Total equity and liabilities.....	202,600,007	100,663,028	145,727,285	102,298,915	97,713,632

9.6 Consolidated statement of cash flows

The table below sets out data from the Group's consolidated statement of cash flow for the three-month periods ended 31 March 2024 and 31 March 2023 derived from the unaudited Interim Financial Information, and for the year ended 31 December 2023, 2022, and 2021 derived from the audited Annual Financial Statements. All line items are, unless otherwise disclosed are derived from the Annual Financial Statements.

	Three-month period ended 31 March		Year ended 31 December		
	2024 (unaudited)	2023 (unaudited)	2023 (audited)	2022 (audited)	2021 (audited)
<i>(Amounts in NOK)</i>					
Profit/(loss) before income tax.....	(7,934,351)	(13,024,793)	(43,408,498)	(34,414,676)	(25,313,507)
<i>Adjustments to reconcile profit/(loss) before tax to net cash flow</i>					
Depreciation expenses.....	2,399,355	1,099,792	8,169,069	1,247,568	828,941
Finance income/(expenses), net.....	2,237,265	425,972	1,927,256	(63,860)	92,450
<i>Working capital changes</i>					
Change in trade and other receivables.....	(933,777)	(2,167,362)	(7,826,474)	(1,995,475)	49,050
Change in trade and other payables.....	(9,806,635)	7,567,561	13,945,616	(4,040,296)	1,351,703
Change in other current assets and liabilities	(2,125,280)	(3,805,092)	3,718,483	(3,718,010)	3,954,159
Change in contract balances.....	(4,155,180)	2,739,625	11,924,967	-	-
Share based compensation scheme.....	1,963,955	1,837,821	5,639,676	10,041,902	4,425,610
Interest received.....	209,346	11,312	1,008,606	919,364	4,126
Net cash flow from operating activities.....	(18,145,302)	(5,315,163)	(4,901,300)	(32,023,483)	(14,607,467)
Payment for property, plant, and equipment ...	(2,556,750)	(17,124,250)	(51,218,785)	(22,125,351)	(2,964,720)
Payment for intangible assets.....	-	-	(1,292,394)	-	-

	Three-month period ended 31 March		Year ended 31 December		
	2024 <i>(unaudited)</i>	2023 <i>(unaudited)</i>	2023 <i>(audited)</i>	2022 <i>(audited)</i>	2021 <i>(audited)</i>
<i>(Amounts in NOK)</i>					
Government grants	-	1,211,545	1,211,545	-	-
Net cash flow from investing activities	(2,556,750)	(15,912,705)	(51,299,634)	(22,125,351)	(2,964,720)
Net equity received	82,138,531	-	-	8,958,669	102,418,540
Proceeds from borrowings	-	-	48,996,562	23,000,000	-
Repayment of borrowings	(4,671,846)	(1,150,000)	(5,822,146)	-	-
Repayment of lease liabilities	(456,662)	(144,729)	(1,526,346)	(532,642)	(381,689)
Interest paid	(1,302,333)	(379,953)	(2,008,285)	(846,266)	(81,516)
Interest paid on lease liabilities	(161,012)	(286)	(471,688)	(9,238)	15,061
Net cash flow from financing activities	75,546,679	(1,674,968)	39,168,097	30,570,523	101,940,274
Net change in cash and cash equivalent	54,844,627	(22,902,837)	(17,032,838)	(23,578,312)	84,368,087
Cash and cash equivalents at 1 January	41,615,681	61,565,235	61,565,235	85,143,548	775,461
Effect of changes in exchange rate	804,708	(56,438)	(2,916,715)	-	-
Cash and cash equivalents at period end	97,265,016	38,605,960	41,615,681	61,565,235	85,143,548

9.7 Statement of changes in equity

The table below sets out data from the Group's consolidated statement of changes in shareholder's equity periods ended 31 March 2024 and 31 March 2023 derived from the unaudited Interim Financial Information, and for the year ended 31 December 2023, 2022, and 2021 derived from the audited Annual Financial Statements.

<i>(Amounts in NOK)</i>	Share capital	Share premium	Other paid in capital	Other equity		
				Currency translation adjustment	Retained earnings	Total equity
Balance at 01 January 2021	23,229,037	-	-	-	(17,651,848)	5,577,189
Net income/-loss for the year	-	-	-	-	(25,313,507)	(25,313,507)
Other comprehensive income	-	-	-	780	-	780
Share issue	27,353,739	75,064,800	-	-	-	102,418,539
Share based compensation	-	-	4,425,610	-	-	4,425,610
Balance at 31 December 2021	50,582,776	75,064,800	4,425,610	780	(42,965,355)	87,108,611
Net income/-loss for the year	-	-	-	-	(34,414,676)	(34,414,676)
Other comprehensive income	-	-	-	(463)	-	(463)
Share issue	2,950,619	6,008,050	-	-	-	8,958,669
Share based compensation	-	-	10,041,902	-	-	10,041,902
Balance at 31 December 2022	53,533,395	81,072,850	14,467,512	317	(77,380,031)	71,694,043
Net income/-loss for the year	-	-	-	-	(43,408,498)	(43,408,498)
Other comprehensive income	-	-	-	(767)	-	(767)
Equity restructuring	(26,766,698)	-	-	-	26,766,698	-
Share based compensation	-	-	5,639,676	-	-	5,639,676
Balance at 31 December 2023	26,766,697	81,072,850	20,107,188	(450)	(94,021,831)	33,924,454

<i>(Amounts in NOK)</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Other paid in capital</i>	<i>Other equity</i>		<i>Total equity</i>
				<i>Currency translation adjustment</i>	<i>Retained earnings</i>	
Balance at 1 January 2023	53,533,395	81,072,850	14,467,512	317	(77,380,031)	71,694,042
Net income/loss for the year.....	-	-	-	-	(13,024,793)	(13,024,793)
Other comprehensive income....	-	-	-	-	-	-
Share issue	-	-	-	-	-	-
Share based compensation	-	-	1 837 821	-	-	1,837,821
Balance at three-month period ended 31 March 2023	53,533,395	81,072,850	16,305,333	317	(90,404,824)	60,507,070
Balance at 1 January 2024	26,766,697	81,072,850	20,107,188	(451)	(94,021,832)	33,924,452
Net income/loss for the year.....	-	-	-	-	(7,934,351)	(7,934,351)
Other comprehensive income....	-	-	-	-	-	-
Share issue	3,502,637	78,635,894	-	-	-	82,138,531
Share based compensation	-	-	1,963,955	-	-	1,963,955
Balance at three-month period ended 31 March 2024	30,269,334	159,708,744	22,071,143	(451)	(101,956,183)	110,092,587

10 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 4 "General information", Section 7 "Business of the Group", Section 9 "Selected financial information and other information", the Annual Financial Statements and related notes included in Appendix B of this Prospectus. The tables containing figures in this Section are extracted from the selected financial information from the financial statements stated in Section 9 "Selected financial information and other information" above.

The Annual Financial Statements as of, and for the years ended, 31 December 2023, 2022, and 2021 have been prepared in accordance with IFRS as approved by EU. The Annual Financial Statements have been audited by RSM, as set forth in their auditor reports included therein. This operating and financial review contains forward-looking statements. The Interim Financial Information as of, and for the periods ended, 31 March 2024 and 31 March 2023 has been prepared in accordance with IAS 34 Interim Financial Reporting and has not been subject to audit by RSM, however a review procedure has been performed. These forward-looking statements are not historical facts, but are rather based on the Group's current expectations, estimates, assumptions and projections about the Group's industry, business, strategy and future financial results. Actual results could differ materially from the results contemplated by these forward-looking statements because of a number of factors, including those discussed in Section 2 "Risk factors" and Section 4.4 "Cautionary note regarding forward-looking statements" of this Prospectus, as well as other sections of this Prospectus.

10.1 Introduction

The Group offers its proprietary HPC technology within the large-scale CCUS field and is a dedicated pure-play carbon capture company. The Group offers engineering studies and demonstration units CapsolGo® to customers for them to test the HPC technology. The Group then offers to licence the technology through its end of pipe carbon capture solution CapsolEoP® for the waste-to-energy, biomass and cement plants and CapsolGT® solution of gas turbine plants.

The Group presents the Financial Information in NOK (presentation currency) and in accordance with IFRS. For the years ended 31 December 2023, 2022, and 2021 the Group's revenues and expenses are primarily denominated in NOK and EUR.

10.2 Key factors affecting the Group's results of operations and financial performance

The business, financial condition, results of operations and cash flows, as well as the period-to-period comparability of the financial results of the Group, are affected by a number of factors, see Section 2 "Risk factors". Some of the factors that have influenced the Group's financial condition and results of operations during the periods under review and which are expected to continue to influence the Group's business, financial condition, results of operations and cash flows, as well as the period-to-period comparability of the Group's financial results, are:

10.2.1 Carbon capture's role in transition to a low-carbon economy

In order to meet the global climate targets set out in the Paris Agreement, it is fundamental that governments, companies and individuals make a transition to a low-carbon economy. This means implementing a number of measures like improving energy efficiency, switching to renewable energy sources and switching more of global energy consumption over to electricity.

Certain industries, such as cement production, waste-to-energy, steel production and paper pulp production are so called "hard to abate" industries, meaning that they cannot be fully electrified using

renewable energy or easily decarbonised with other means. There is also energy and heat production from biomass-fuelled power plants which are considered carbon neutral, so when adding carbon capture, it can be a low-cost way of reclaiming CO₂ from the atmosphere (compared to e.g. capturing CO₂ directly from ambient air), a tool that will become increasingly important to reach net zero. There is an increasing recognition of CCS' critical role in reaching net-zero ambitions.

To accelerate the transition to a low carbon economy and move towards meeting the goals in the Paris Agreement governments have introduced regulations and incentive packages driving the implementation of carbon capture by making it economically viable.

In North America and Europe, demand is fuelled by new incentives. US Infrastructure Investment and Jobs Act from 2021 included USD 12 billion to be spent on CCS over five years, while the IRA increased the tax refund from USD 50 to USD 85 per tonne of CO₂ for carbon emissions captured and stored from industrial facilities and power plants.⁶⁸

Canada has set a price on CO₂ emissions, rising from CAD 65 per tonne today to CAD 174 per tonne in 2030, and introduced a 50% refundable investment tax credit on capture equipment from 2022 to 2030, and 25% from 2030 to 2040, to support post-combustion CCUS projects, making it one of the most attractive carbon capture regimes in the world.⁶⁹

The market prices for emitting CO₂ within the EU have been steadily increasing since it was introduced. In 2017, the EU ETS prices were below EUR 10 per tonne, but in the following years, they have continued to increase breaching EUR 100 per tonne in 2023 before falling back a bit on lower short-term demand. As of the 11 April 2024, the price per tonne of CO₂ was EUR 64.96.⁷⁰

On 6 February 2024, the European Commission launched its net zero industrial carbon management strategy with an emission reduction target of 90% by 2040 "earlier deployment of carbon capture". With the 90% reduction target by 2040 approximately 280 million tonnes of CO₂ will have to be captured by 2040 and around 450 million tonnes by 2050.⁷¹ In addition, the EU has continued the support for CCUS through regional funding programs such as the CEF, the Innovation Fund and revisions to cross-border regulations to include CO₂ storage.

While Europe and North America are leading the way on incentives and structures to deploy carbon capture the rest of the world is quickly following, and the Group sees increasing activity in Australia, Asia, Africa, and South America.

While we are unable to precisely quantify the actual impact on the Group, it is believed that the implementation of improved incentive and funding mechanisms will lead to the development of more carbon capture projects, thereby potentially increasing the Group's share of income. As of the date of this Prospectus and to the best of the Group's knowledge, these aforementioned factors have not significantly influenced the Group's past income, but they may materially do so in the future.

⁶⁸ Sources: Source: <https://www.iea.org/energy-system/carbon-capture-utilisation-and-storage>, <https://www.iea.org/policies/16255-inflation-reduction-act-2022-sec-13104-extension-and-modification-of-credit-for-carbon-oxide-sequestration>

⁶⁹ Source: <https://iea.org/reports/canada-2022/executive-summary>

⁷⁰ Source: Bloomberg (requires membership)

⁷¹ Source: https://ec.europa.eu/commission/presscorner/detail/en/qanda_24_586

10.2.2 Business model execution

The Group develops, markets, and sells technology to safely and efficiently capture CO₂ from point sources large-scale industrial emitters like factories and power plants. The Group is targeting significant long-term growth and value creation with a scalable technology licensing model. The Group's ambition is a 5-10% carbon capture technology licensing market share in 2030, EUR 10-15⁷² in licensing revenue per tonne installed capacity and a 40-60% pre-tax profit margin. The Group's strategy is to focus on hard-to-abate industries where its solutions have significant competitive advantages and engage in partnerships with leading companies globally to further improve value propositions and extend reach.

The Group will have three income streams: paid engineering, revenues from CapsolGo[®] mobile demonstration units, and licensing fees. Paid engineering and CapsolGo[®] demonstration units are mainly a means to develop projects and secure licencing revenue, as well as to finance the Group's operational activities. As the industry develops the revenue composition is expected to shift from engineering and CapsolGo[®] towards high-margin licensing revenues. Licencing revenues are linked to carbon capture projects making FIDs, which requires a number of factors to be in place, including financing, transport and storage solutions, construction contracts and construction permits. These factors are mostly outside of the Group's control and will impact the speed and the number of projects it's able to secure licensing revenues from.

Compared to alternative business models, like turnkey delivery of plants, the licencing model has the advantage that it is highly scalable, it is capital light, it is high margin, and it's typically not very price sensitive. There is also less exposure for cost risk in the projects as any guarantees provided typically are capped to a percent of total licences fee. The disadvantages of the model are that the Group have less control of the deployment of the technology and that the Group is, often, dependent on third parties to accept the technology risk and act as turnkey contractors for project owners/emitters.

The Group is of the opinion that with the established carbon capture technology platform and the large number of projects and potential projects in its portfolio there are considerable opportunities to develop additional revenue streams. The type of revenue streams being explored are digital services to optimise carbon capture plant operations, combining key equipment with technology licence and project development services. Some of these opportunities can contribute to recurring revenues linked to the amount of CO₂ captured from carbon capture plants. The Group does not have contracts, nor an established offering within these areas today.

While quantifying the impact is challenging, one factor potentially affecting our income is our capital-light business model. Some industries may favour acquiring a complete carbon capture solution from a single vendor, seeking a partner to assume full solution delivery risks. As of the date of this Prospectus and to the Group's understanding, this has not been a material concern in customer discussions, suggesting it may not have influenced past income but could potentially do so in the future. The Group is continuing to establish impactful partnerships to address such concerns.

10.2.3 Conversion of project pipeline and winning new projects

The Group currently has several projects in different phases of development/maturity, and the project pipeline is quickly developing. This includes feasibility studies, pre-FEED, FEED studies and signed licence

⁷² The Group has previously operated with a range of EUR 7-12 per tonne, but this range has been adjusted based on inflation and recently signed agreements

contracts. License contracts signed are typically subject to customers making FIDs. As of today, no customer has made an FID on a large-scale project utilising the Group's technology, and as such, licencing revenue is pending. When the first project makes FID utilizing the Group's technology this will represent a major reduction in the perceived risk of choosing the Group's technology, and as such, such a decision is expected to accelerate the demand for the Group's offering.

During 2023 the Group's pipeline of projects which have moved beyond "sales engineering" increased from 2.6 million to about 12 million, measured in terms of annual tonnes of CO₂ capture capacity to potentially be installed from engineering studies performed, licences signed, and demonstration campaigns performed. The Group does not expect all these projects to choose the Group's technology, nor that all will in the end be built. Furthermore, the Group does not make any representations that all the projects in the portfolio are still considering using the Group's technology. The pipeline of projects is expected to continue to grow. The Group's ability to convert projects in its portfolio into licencing revenue is dependent on a number of factors within and outside of the Group's control, including (non-comprehensive list):

- The competitiveness of the Group's technology relative to other technology providers. This relates to capital expenditures, operational expenditures, and energy consumption, as well as complexity, operability, health and safety and ease of permitting.
- The perceived risk concerning the deployment of the technology relative to alternatives.
- That transport and storage solutions are sufficiently developed and/or that there are ample utilisation options for CO₂.
- That financing and sufficient incentives and/or penalties is in place or is expected to be in place.

The Group has over the last couple of years experienced a considerable increase in demand and interest globally. In the Group's opinion this is due to a few key factors:

- A unique technology and value proposition offering low cost, installation flexibility and health and safety performance.
- An increasing number of awards for engineering studies, demonstration campaigns and licences in key industries, building confidence in the technology offering.
- A general acceleration of activity and focus on carbon capture as an essential part of the pathway to net zero.
- Improved incentives for carbon capture projects in key geographical markets.

A factor that could affect the Group's short-term financials is the pending FID of the Stockholm Exergi project. At FID the Group will receive a lump sum payment for the use of its technology. Should Stockholm Exergi not make this decision in 2024, the contracts allow for them to pay the full amount (their option) to secure the rights to use the Group's Technology for the project. The contracted revenue has not been disclosed to the market. Should this revenue not materialise, the total amount is not of such a nature that it will impact the Group's ability to operate or comply with loan covenants.

An additional factor that may have affected our income is the nascency of the carbon capture market today. The Group's revenue model is dependent on licensing contracts, which in turn is dependent on the development of the market and converting our project pipeline to licensing revenues. This, in turn, will increase our pre-tax profit margins as we move to scalable, higher-margin activities.

10.2.4 Access to capital and capital markets

In general, access to and the cost of capital is likely to have an impact on the Group's profitability. With the capital-light licencing model, the Group is not directly dependent on large amounts of capital to execute its business or to deliver projects. Carbon capture projects require substantial investments, and the Group's business is reliant on that its customers are able to raise capital to finance project developments. Investors' interest in investing in CCUS, projects and carbon capture companies impact the Group's access to and cost of capital and is therefore an important driver for the Group's ability to take advantage of future growth opportunities and related capital costs.

As of the date of this Prospectus, and to the best of the Group's knowledge, the abovementioned factors have not materially influenced impacted the Group's past income directly. However, they may have influenced the Group's customers, potentially causing delays in deploying carbon capture solutions, indirectly affecting our project pipeline.

10.2.5 Capacity to deploy technology to market

The Group's operations encompass several activities crucial for its success, including the development of competitive technology and providing engineering expertise, the cultivation of business development and commercial strategies to secure and advance projects and partnerships. Given the technical and specialized nature of these core activities, the possession of skilled personnel is not just an asset but a necessity for the Group. The capacity to draw in and maintain such talent is fundamental to the Group's operational effectiveness. The Group has established relationships with engineering capacity suppliers, enabling flexible scaling of our deployment capabilities to meet market demand efficiently. This agility supports rapid adaptation to varying project sizes and timelines, ensuring that the Group consistently meet licensee needs. Furthermore, through the standardization of the way the Group delivers engineering studies and process design packages, and continuous optimization efforts, we enhance deployment efficiency and increase the organization's ability to scale the business model.

A key component in deploying the Group's technology to the market and enabling significant market shares are through strategic partnerships with large corporations with global footprint. These partnerships extend the Group's market reach, enhance the deployment capabilities, and enrich the technology platform, thereby providing a comprehensive and compelling value proposition to the project owners.

As of the date of this Prospectus, and to the best of the Group's knowledge, the abovementioned factors have not materially impacted the Group's past income. This is largely due to maintaining satisfactory engineering staff utilization levels and having engineering capacity through third-party relationships. While the Group maintains a proactive talent acquisition approach, future staffing challenges may occur and potentially affect the Groups' future income.

10.3 Recent development and trends

The Group has entered into an agreement to build a new CapsolGo® and one liquefaction unit from its two main suppliers, expected to be delivered in the second quarter of 2024. The total outstanding committed amount under the agreement as of 31 March 2024 was approximately NOK 20,200,000 and will be funded with cash at hand. There has been no further significant change in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of this Prospectus.

10.4 Description of key line items

The following is a discussion of the Group's key statement of profit or loss line items.

10.4.1 Revenue

Revenue includes: (i) CapsolGo® demonstration units where the performance obligation is to provide the customers with one or more operation and testing packages (“OTSP”) to demonstrate the technology on the customer's sites and facilities; and (ii) engineering services and feasibility studies. The revenue from engineering feasibility studies is recognised point in time when predefined milestones are reached.

10.4.2 Other operating income

Other operating income includes income related to the sublease of offices.

10.4.3 Cost of contract fulfilment

Cost of contract fulfilment includes the cost to deliver the OTSP demonstration program, including amortised set-up cost to prepare CapsolGo® demonstration units at the site up until the commencement OTSP.

10.4.4 Personnel expenses

Personnel expenses include cost recognition of the Group's employee share option program.

10.4.5 Depreciation expenses

Depreciation expenses include depreciation of CapsolGo® units being taken into operations during the year, depreciation of right of use assets (mainly office space) and amortisation of the patented CCS technology.

10.4.6 Other operating expenses

Other operating expenses includes professional fees and other administrative fees in developing the business of the Group. Internal cost to develop the CapsolGo® units have been recognised as a part of property, plant, and equipment.

10.4.7 Other interest income

Other interest income includes interest income on cash deposits.

10.4.8 Other financial income

Other financial income includes increased currency gains because of fluctuation of NOK against EUR, GBP, and USD.

10.4.9 Other interest expenses

Other interest expenses include financing costs related to green loans for CapsolGo® demonstration units and interest on lease liabilities.

10.4.10 Other financial expenses

Other financial expenses include currency losses because of fluctuation of NOK against EUR, GBP, and USD.

10.4.11 Income tax expenses

Income tax expenses includes tax payable and changes to deferred tax. The Group does not have any taxable profits, and do not present any income tax expenses.

10.5 Results of operations

10.5.1 Results of operations for the three-month period ended 31 March 2024 compared with the three-month period ended 31 March 2023

The table below summaries data of the Group's historical results of operations and is extracted from the Group's unaudited Interim Financial Information as of and for the three-month periods ended 31 March 2024 and 31 March 2023:

(Amounts in NOK)	Three-month period ended 31 March			2023
	2024	Change in NOK	Change in %	
Revenue	19,507,840	18,631,732	2126.6%	876,108
Other operating income.....	-	-	0.0%	-
Total operating income	19,507,840	18,631,732	2126.6%	876,108
Cost of contract fulfilment.....	6,415,395	6,415,395	0.0%	-
Personnel expenses	10,062,296	400,191	4.1%	9,662,105
Depreciation expenses.....	2,399,355	1,299,563	118.2%	1,099,792
Other operating expenses.....	6,327,879	3,614,847	133.2%	2,713,032
Total operating expenses	25,204,925	11,729,996	87.1%	13,474,929
Operating loss	(5,697,086)	6,901,736	(54.8)%	(12,598,822)
Other interest income.....	209,346	198,034	1750.7%	11,312
Other financial income.....	1,718,887	1,629,069	1813.7%	89,818
Other interest expenses.....	(1,463,345)	(1,083,106)	284.8%	(380,239)
Other financial expenses.....	(2,702,153)	(2,555,290)	1739.9%	(146,863)
Net financial income /- loss	(2,237,265)	(1,811,293)	425.2%	(425,972)
Loss before income tax	(7,934,351)	5,090,442	(39.1)%	(13,024,793)
Income tax expense	-	-	-	-
Net loss	(7,934,351)	5,090,442	(39.1)%	(13,024,793)

10.5.1.1 Revenue

Revenue increased by NOK 18,631,732, or 2126.6% to NOK 19,507,840 for the three-month period ended 31 March 2024 compared to NOK 876,108 for the three-month period ended 31 March 2023. The increase was mainly due to engineering studies and CapsolGo® carbon capture demonstration campaigns. The development was mainly driven by increased revenues from CapsolGo®, where two units are operating at different German utility companies demonstrating the CapsolEoP® technology at EfW and biomass plants. None of the revenue mentioned above was recognised in Norway.

10.5.1.2 Cost of contracts fulfilment

Cost of contract fulfilment increased to NOK 6,415,395 for the three-month period ended 31 March 2024 compared to NOK 0 for the three-month period ended 31 March 2023. The increase was mainly due to operational cost related to CapsolGo® and feasibility studies of NOK 4,959,794.

10.5.1.3 Personnel expenses

Personnel expenses increased by NOK 400,191, or 4.1% to NOK 10,062,296 for the three-month period ended 31 March 2024 compared to NOK 9,662,105 for the three-month period ended 31 March 2023. The increase was mainly due to new hires in the period.

10.5.1.4 Depreciation expenses

Depreciation expenses increased by NOK 1,299,563, or 118.2% to NOK 2,399,355 for the three-months period ended 31 March 2024 compared to NOK 1,099,792 for the three-months period ended 31 March 2023. The increase was mainly due to the addition of CapsolGo® units.

10.5.1.5 Other operating expenses

Other operating expenses increased by NOK 3,614,847, or 133.2% to NOK 6,327,879 for the three-month period ended 31 March 2024 compared to NOK 2,713,032 for the three-month period ended 31 March 2023. The increase was mainly due to increased investor relations cost of NOK 1,125,721, legal fees of NOK 1,172,754 and NOK 667,000 for extraordinary accounting advisory fees related to the conversion of historical financials to IFRS. Additionally, office rental costs increased by NOK 494,386 as the Group moved to larger offices.

10.5.1.6 Other interest income

Other interest income increased by NOK 198,034, or 1750.7% to NOK 209,346 for the three-month period ended 31 March 2024 compared to NOK 11,312 for the three-month period ended 31 March 2023. The increase was mainly due to the interest rate of having a positive euro balance in the Group's bank accounts.

10.5.1.7 Other financial income

Other financial income increased by NOK 1,629,069, or 1813.7% to NOK 1,718,887 for the three-month period ended 31 March 2024 compared to NOK 89,818 for the three-months period ended 31 March 2023. The increase was mainly due to currency gains as a result of the fluctuation of EUR against NOK.

10.5.1.8 Other interest expenses

Other interest expenses increased by NOK 1,083,106, or 284.8% to NOK 1,463,345 for the three-month period ended 31 March 2024 compared to NOK 380,239 for the three-month period ended 31 March 2023. The increase was mainly due to increase in borrowings. The increase was primarily driven by financing costs related to green loans for CapsolGo® demonstration units.

10.5.1.9 Other financial expenses

Other financial expenses increased by NOK 2,555,290, or 1739.9% to NOK 2,702,153 for the three-month period ended 31 March 2024 compared to NOK 146,863 for the three-month period ended 31 March 2023. The increase was mainly due to currency rate changes related to the company's debt to financial institutions and correlating currency loss as a result of the fluctuation of NOK against EUR.

10.5.2 Results of operations for the financial year ended 31 December 2023 compared with the year ended 31 December 2022

The table below summarises data of the Group's historical results of operations and is extracted from the Group's audited consolidated Annual Financial Statements as of and for the financial year ended 31 December 2023 and 2022.

<i>(Amounts in NOK)</i>	Year ended 31 December			
	2023	Change in NOK	Change in %	2022
Revenue	34,160,224	23,393,462	217.3%	10,766,762
Other operating income.....	-	(21,666)	-	21,666
Total operating income	34,160,224	23,371,796	216.6%	10,788,428
Cost of contract fulfilment.....	7,776,112	5,157,695	197.0%	2,618,417
Personnel expenses	37,426,643	11,799,802	46.0%	25,626,841
Depreciation expenses.....	8,169,069	6,921,501	554.8%	1,247,568
Other operating expenses.....	22,269,643	6,495,505	41.2%	15,774,138
Total operating expenses.....	75,641,466	30,374,502	67.1%	45,266,964
Operating loss	(41,481,242)	(7,002,706)	20.3%	(34,478,536)
Other interest income.....	1,010,364	1,010,364	-	-
Other financial income.....	3,990,313	3,070,949	334.0%	919,364
Other interest expenses.....	(2,479,973)	(2,470,735)	26745.3 %%	(9,238)
Other financial expenses.....	(4,447,959)	(3,601,693)	425.6%	(846,266)
Net financial income /(loss)	(1,927,256)	(1,991,116)	(3,117.9)%	63,860
Loss before income tax	(43,408,498)	(8,993,822)	26.1%	(34,414,676)
Income tax expense	-	-	-	-
Net loss	(43,408,498)	(8,993,822)	26.1%	(34,414,676)

10.5.2.1 Revenue

Revenue increased by NOK 23,393,462, or 217.3% to NOK 34,160,224 for the year ended 31 December 2023 compared to NOK 10,766,762 for the year ended 31 December 2022. The growth in revenues was primarily driven by increased revenues from CapsolGo® demonstration units of NOK 21,307,982, additionally, engineering and feasibility studies increased by NOK 2,085,479. The growth in revenues from CapsolGo® was primarily driven by higher demand in Europe and that the Group had one more unit which became operational in May 2023 compared to 2022.

The increase in demand for the Group's services is mainly a result of the applicability, perceived maturity and competitiveness of the Group's technology combined with growth in the overall carbon capture market due to higher expected future EU ETS prices and the increased focus on reaching net zero emissions in the Group's key target industries.

In 2023, revenues of approximately NOK 23.5 million are derived from a single external customer, name not disclosed. The revenue from this significant customer can in its entirety be attributed to revenue from OTSP testing of CapsolGo® unit.

None of the revenue mentioned above was recognised in Norway.

10.5.2.2 Other operating income

Other operating income decreased by NOK 21,666 to nil for the year ended 31 December 2023 compared to NOK 21,666 for the year ended 31 December 2022. The decrease of NOK 21,666 was due to the cessation of office subletting in 2022.

10.5.2.3 Cost of contracts fulfilment

Cost of contracts fulfilment increased by NOK 5,157,695, or 197.0% to NOK 7,776,112 for the year ended 31 December 2023 compared to NOK 2,618,417 for the year ended 31 December 2022. The increase in costs is due to an increase in delivered OTSP programme with the CapsolGo® demonstration units in the period May to December 2023.

10.5.2.4 Personnel expenses

Personnel expenses increased by NOK 11,799,802, or 46.0% to NOK 37,426,643 for the year ended 31 December 2023 compared to NOK 25,626,841 for the year ended 31 December 2022. The increase was mainly due to an increase in the average number of employees to scale the operations and delivery of OTSP programme with the CapsolGo® units, from 11 to 21 and salary adjustments, increasing salary expenses by NOK 10,444,609 and increase in employment tax of NOK 1,843,160. Also, the increase in personnel expenses was partially offset by a reduction in the cost recognition of the Group's employee share option program of NOK 4,402,226, and an increase in other benefits of NOK 1,455,752.

10.5.2.5 Depreciation expenses

Depreciation expenses increased by NOK 6,921,501, or 554.8% to NOK 8,169,069 for the year ended 31 December 2023 compared to NOK 1,247,568 for the year ended 31 December 2022. The increase was primarily due to an increase in depreciation of property, plant and equipment of NOK 5,957,543 as one more CapsolGo® unit were taken into operations during 2023, and thereby started to depreciate. Also, depreciation of right of use assets increased by NOK 963,959 as the Group leased new office spaces from April 2023.

10.5.2.6 Other operating expenses

Other operating expenses increased by NOK 6,495,505, or 41.2% to NOK 22,269,643 for the year ended 31 December 2023 compared to NOK 15,774,138 for the year ended 31 December 2022. The increase was primarily related to an increase in general and administrative expenses of NOK 5,572,616 in developing and scaling up the business and operations of Capsol Technologies. Also, professional fees increased by NOK 517,083 and short term and low value leases by NOK 229,497.

10.5.2.7 Other interest income

Other interest income increased by NOK 1,010,364, to NOK 1,010,364 for the year ended 31 December 2023 compared to nil for the year ended 31 December 2022. The increase of NOK 1,010,364 was in full due to interest income on cash deposits. Further, increased interest rates during 2023 fuelled the increase of interest income.

10.5.2.8 Other financial income

Other financial income increased by NOK 3,070,949, or 334.0% to NOK 3,990,313 for the year ended 31 December 2023 compared to NOK 919,364 for the year ended 31 December 2022. The increase of NOK 3,070,949 was exclusively related to increased currency gains as a result of the fluctuation of NOK against EUR, GBP, and USD.

10.5.2.9 Other interest expenses

Other interest expenses increased by NOK 2,470,735, or 26745.3% to NOK 2,479,973 for the year ended 31 December 2023 compared to NOK 9,238 for the year ended 31 December 2022. The increase was primarily driven by financing costs related to green loans for CapsolGo® demonstration units. Also, interest paid on lease liabilities increased by NOK 462,450 as the Group leased new office spaces from April 2023.

10.5.2.10 Other financial expenses

Other financial expenses increased by 3,601,693, or 425.6% to 4,447,959 for the year ended 31 December 2023 compared to 846,266 for the year ended 31 December 2022. The increase was mainly due to increase of NOK 3,690,602 in currency losses as a result of the fluctuation of NOK against EUR, GBP and USD, and unrealised currency loss on borrowings in EUR (original value at inception date converted to NOK compared to year-end closing rate conversion rate from EUR to NOK).

10.5.2.11 Income tax expenses

The Group is not in a tax position, no tax expense or income recognised in the financial year ended 31 December 2023 or 2022.

10.5.3 Results of operations for the financial year ended 31 December 2022 compared with the year ended 31 December 2021

The table below summarises data of the Group's historical results of operations and is extracted from the Company's audited consolidated Annual Financial Statements for the financial year ended 31 December 2022 and 2021.

(Amounts in NOK)	Year ended 31 December			
	2022	Change in NOK	Change in %	2021
Revenue	10,766,762	10,728,812	28,270.9%	37,950
Other operating income.....	21,666	(7,958)	(26.9)%	29,624
Total operating income	10,788,428	10,720,854	15,865.4%	67,574
Cost of contract fulfilment.....	2,618,417	2,618,417	-	-
Personnel expenses.....	25,626,841	12,440,535	94.3%	13,186,306
Depreciation expenses.....	1,247,568	418,626	50.5%	828,942
Other operating expenses.....	15,774,138	4,500,756	39.9%	11,273,382
Total operating expenses	45,266,964	19,978,334	79.0%	25,288,630
Operating loss	(34,478,536)	(9,257,480)	36.7%	(25,221,056)
Other interest income	-	(1)	(100)%	1
Other financial income.....	919,364	915,238	22,182.2%	4,126
Other interest expenses.....	(9,238)	(7,309)	(44.2)%	(16,547)
Other financial expenses.....	(846,266)	766,235	957.4%	(80,031)
Net financial income /(loss)	63,860	156,311	(169.1)%	(92,451)
Loss before income tax	(34,414,676)	(9,101,169)	36.0%	(25,313,507)
Income tax expense.....	-	-	-	-
Net loss.....	(34,414,676)	(9,101,169)	36.0%	(25,313,507)

10.5.3.1 Revenue

Revenue increased by NOK 10,728,812, or 28,270.9% to NOK 10,766,762 for the year ended 31 December 2022 compared to NOK 37,950 for the year ended 31 December 2021. The increase was primarily due to the first CapsolGo® demonstration unit revenue (OTSP programme) from September to December 2022 of NOK 9,604,878. Further, the Group had an increase of NOK 1,123,934 in revenues from engineering and feasibility studies.

In 2022, the revenue from the OTSP programme can in its entirety be attributed to the customer Öresundskraft AB.

10.5.3.2 Other operating income

Other operating income decreased by NOK 7,955, or 26.9% to NOK 21,666 for the year ended 31 December 2022 compared to NOK 29,624 for the year ended 31 December 2021. The decrease by NOK 7,955 was in full due to a reduction in sublease of office spaces.

10.5.3.3 Cost of contract fulfilment

Cost of contract fulfilment increased by NOK 2,618,417, to NOK 2,618,417 for the year ended 31 December 2022 compared to nil for the year ended 31 December 2021. The increase of NOK 2,618,417 was costs to deliver the first OTSP programme with the CapsolGo® demonstration unit from September to December.

10.5.3.4 Personnel expenses

Personnel expenses increased by NOK 12,440,535, or 94.3% to NOK 25,626,841 for the year ended 31 December 2022 compared to NOK 13,186,306 for the year ended 31 December 2021. The increase was mainly due to an increase in the average number of employees from 7 to 11 and salary adjustments increasing salary expenses by NOK 8,595,296 and an increase in employment tax of NOK 1,257,480. Also, there was an increase in share-based compensation cost of NOK 5,616,292 and increase in other benefits of NOK 874,355.

10.5.3.5 Depreciation

Depreciation increased by NOK 418,626, or 50.5% to NOK 1,247,568 for the year ended 31 December 2022 compared to NOK 828,942 for the year ended 31 December 2021. The increase of NOK 286,244 was due to the CapsolGo® unit in property, plant and equipment being taken into operations to deliver the OTSP programme, and therefore started to depreciate during the year. NOK 132,383 was due to depreciation of right of use assets.

10.5.3.6 Other operating expenses

Other operating expenses increased by NOK 4,500,756, or 39.9% to NOK 15,774,138 for the year ended 31 December 2022 compared to NOK 11,273,382 for the year ended 31 December 2021. The increase was primarily related to an increase in professional fees of NOK 4,117,233. Also, general and administrative expenses increased by NOK 582,838.

10.5.3.7 Other financial income

Other financial income increased by NOK 915,238, or 22,182.2% to NOK 919,364 for the year ended 31 December 2022 compared to NOK 4,126 for the year ended 31 December 2021. The increase of NOK 915,238 was due to currency gains resulting from fluctuation of NOK against EUR, SEK, GBP, and USD.

10.5.3.8 Other interest expenses

Other interest expenses decreased by NOK 7,309, or 44.2% to NOK 9,238 for the year ended 31 December 2022 compared to NOK 16,574 for the year ended 31 December 2021. The decrease was primarily driven by the decrease in interest paid on lease liabilities of NOK 5,823 and interest expense on borrowings.

10.5.3.9 Other financial expenses

Other financial expenses increased by NOK 766,235, or 957.4% to NOK 846,266 for the year ended 31 December 2022 compared to NOK 80,031 for the year ended 31 December 2021. The increase was mainly due to increase of NOK 508,197 in currency losses as a result of fluctuation of NOK against EUR, GBP and USD.

10.5.3.10 Income tax expenses

The Group is not in a tax position, no tax expense or income recognised in the financial year ended 31 December 2022 or 2021.

10.6 Financial position

10.6.1 Financial position as of 31 March 2024 compared with as of 31 December 2023

Financial position				
(Amounts in NOK)	As of 31 March 2024	Change in NOK	Change in %	As of 31 December 2023
ASSETS				
Intangible assets	7,229,563	(107,949)	(1.5)%	7,337,512
Plant, property, and equipment	68,043,355	775,759	1.2%	67,267,596
Right of use assets	8,012,373	(510,415)	(6.0)%	8 522 788
Total non-current assets	83,285,291	157,394	0.2%	83,127,897
Accounts receivables	10,755,726	933,777	9.5%	9,821,949
Contracts assets	1,044,131	(690,973)	(39.8)%	1,735,104
Other current receivables	10,249,843	823,190	8.7%	9,426,653
Cash and cash equivalents	97,265,015	55,649,334	133.7%	41,615,681
Total current assets	119,314,715	56,715,328	90.6%	62,599,387
Total assets	202,600,007	56,872,722	39.0%	145,727,285
EQUITY AND LIABILITIES				
Share capital	30,269,334	3,502,636	13.1%	26,766,698
Share premium	159,708,745	78,635,895	97.0%	81,072,850
Other paid in capital	22,071,143	1,963,955	9.8%	20,107,188
Other equity	(101,956,633)	(7,934,350)	8.4%	(94,022,283)
Total equity	110,092,589	76,168,136	224.5%	33,924,453
Lease liabilities	6,128,515	(493,195)	(7.4)%	6 621 710
Debt to financial institutions	42,142,331	(3,070,362)	(6.8)%	45,212,693
Total non-current liabilities	48,270,845	(3,563,558)	(6.9)%	51,834,403
Trade creditors	5,518,060	(9,806,635)	(64.0)%	15,324,695
Lease liabilities	1,917,100	36,533	1.9%	1 880 567
Contract liabilities	8,813,916	(4,846,155)	(35.5)%	13,660,071
Current portion of financial institution debt	18,687,384	186,490	1.0%	18,500,894
Public duties payable	2,291,010	(779,621)	(25.4)%	3,070,631
Other current liabilities	7,009,101	(522,470)	(6.9)%	7,531,571
Total current liabilities	44,236,572	(15,731,857)	(26.2)%	59,968,429
Total liabilities	92,507,417	(19,295,415)	(17.3)%	111,802,832
Total equity and liabilities	202,600,007	56,872,722	39.0%	145,727,285

10.6.1.1 Intangible assets

Intangible assets decreased by NOK 107,949, or 1.5% to NOK 7,229,563 as of 31 March 2024 compared to NOK 7,337,512 as of 31 December 2023. The decrease was mainly due to amortization.

10.6.1.2 Total non-current assets

Total non-current assets increased by NOK 157,394, or 0.2% to NOK 83,285,291 as of 31 March 2024 compared to NOK 83,127,897 as of 31 December 2023. The increase was mainly due to an increase in property, plant, and equipment of NOK 2,556,750 related to acquisition of new CapsolGo® units in accordance with the investment strategy as further described in Section 10.10 “Investments”, and depreciation of total NOK 1,780,990

10.6.1.3 Total current assets

Total current assets increased by NOK 56,715,328, or 90.6% to NOK 119,314,715 as of 31 March 2024 compared to NOK 62,599,387 as of 31 December 2023. The increase was mainly due to an increase in trade receivables of NOK 933,777 and a change in other current assets of NOK 132,217. Cash increased by NOK 55,649,334 mainly due to net capital raise of NOK 82,138,531 and the reduction in cash was to some degree offset by an increase in accounts receivables related to increased revenues from the OTSP programme for CapsolGo® units, and also the capitalised prepaid expenses (contract assets) related to the preparation of the CapsolGo® demonstration units at site up until commencement of the OTSP demonstration.

10.6.1.4 Total equity

Total equity increased by NOK 76,168,136, or 224.5% to NOK 110,092,589 as of 31 March 2024 compared to NOK 33,924,453 as of 31 December 2023. The increase was mainly due to the net capital raise in February 2024 of NOK 82,138,531 and net loss from developing the business, reducing retained earnings by NOK 11,552,129.

10.6.1.5 Total non-current liabilities

Total non-current liabilities decreased by NOK 3,563,558, or 6.9% to NOK 48,270,845 as of 31 March 2024 compared to NOK 51,834,403 as of 31 December 2023. The decrease was mainly due to loan payments to financial institutions of NOK 3,070,362 and change in lease liability by NOK 493,195.

10.6.1.6 Total current liabilities

Total current liabilities decreased by NOK 15,731,857, or 26.2% to NOK 44,236,572 as of 31 March 2024 compared to NOK 59,968,429 as of 31 December 2023. The decrease was mainly due to a reduction in trade creditors of NOK 9,906,653 related to payments and a decrease in contract liabilities of NOK 4,846,155. In addition, there were minor changes in other current liabilities in the period of NOK 1,079,068, primarily due to changes in public duties payable.

10.6.2 Financial position as of 31 December 2023 compared as of 31 December 2022

The table below shows summarises historical balance sheet data related to the Group’s activities and is extracted from the Group’s audited consolidated Annual Financial Statements as of 31 December 2023 and 2022.

Financial position	As of 31 December			
	2023	Change in NOK	Change in %	2022
<i>(Amounts in NOK)</i>				
ASSETS				
Intangible assets	7,337,512	860,600	13.3%	6,476,912
Plant, property, and equipment	67,267,596	43,675,315	185.1%	23,592,281
Right of use assets	8,522,788	8,390,406	6338.0 %	132,382

Financial position	As of 31 December			
	2023	Change in NOK	Change in %	2022
<i>(Amounts in NOK)</i>				
Total non-current assets	83,127,897	52,926,321	175.2%	30,201,576
Accounts receivables	9,821,949	7,826,474	392.2%	1,995,475
Contracts assets	1,735,104	1,735,104	-	-
Other current receivables	9,426,653	890,025	10.4%	8,536,628
Cash and cash equivalents	41,615,681	(19,949,554)	(32.4)%	61,565,235
Total current assets	62,599,387	(9,497,951)	(13.2)%	72,097,338
Total assets	145,727,285	43,428,370	42.5%	102,298,915
EQUITY AND LIABILITIES				
Share capital	26,766,698	(26,766,697)	(50.0)%	53,533,395
Share premium	81,072,850	-	-	81,072,850
Other paid in capital	20,107,188	5,639,676	39.0%	14,467,512
Other equity	(94,022,283)	(16,642,569)	21.5%	(77,379,714)
Total equity	33,924,453	(37,769,590)	(52.7)%	71,694,043
Lease liabilities	6,621,710	-	-	6,621,710
Debt to financial institutions	45,212,693	26,812,693	145.7%	18,400,000
Total non-current liabilities	51,834,403	33,434,403	181.7%	18,400,000
Trade creditors	15,324,695	13,952,049	1,016.4%	1,372,646
Lease liabilities	1,880,567	1,735,838	1,199.4%	144,729
Contract liabilities	13,660,071	13,660,071	-	-
Current- portion of debt to financial institution	18,500,894	13,900,894	302.2%	4,600,000
Public duties payable	3,070,631	1,682,413	121.2%	1,388,218
Other current liabilities	7,531,571	2,832,291	60.3%	4,699,280
Total current liabilities	59,968,429	47,763,557	391.4%	12,204,872
Total liabilities	111,802,832	81,197,960	265.3%	30,604,872
Total equity and liabilities	145,727,285	43,428,370	42.5%	102,298,915

10.6.2.1 Total non-current assets

Total non-current assets increased by NOK 52,926,321, or 175.2% to NOK 83,127,897 as of 31 December 2023 compared to NOK 30,201,576 as of 31 December 2022. The increase was primarily due to an increase in property, plant, and equipment of NOK 51,218,785 related to acquisition of new CapsolGo® units in accordance with the investment strategy as further described in Section 10.10 "Investments". Further, the Group took out leases for new office premises, to support the growth of the business, increasing right of use assets by NOK 9,883,894. Additionally, a digital platform was capitalised during the year increasing intangible assets by NOK 1,292,394. As a result of the capitalisation of CapsolGo® units and leasing of new office spaces to further scale up its operations, the increase in total non-current assets was partially offset by a NOK 6,912,502 increase in depreciations and amortisations. Additionally, the Group received approval for government grants of NOK 2,511,228 related to the Norwegian R&D tax incentive scheme (*Skattefunn*) with development of the CapsolGo® units, recognised as Property, plant and equipment. The grant reduced the initial acquisition cost of property, plant and equipment with the grants received.

10.6.2.2 Total current assets

Total current assets decreased by NOK 9,497,951, or 13.2% to NOK 62,599,387 as of 31 December 2023 compared to NOK 72,097,338 as of 31 December 2022. The decrease was mainly due to a NOK 19,949,554 reduction in cash and cash equivalents because of the investment strategy of the Group to buy CapsolGo® units, and also develop and scale up the business, as further described in Section 10.10 “Investments”. The reduced cash was to a certain extent offset by an increase in accounts receivables related to increased revenues from the OTSP program for CapsolGo® units, and also capitalised prepaid expenses (contract assets) related to the preparation of the CapsolGo® demonstration units at site up until commencement of the OTSP demonstration.

10.6.2.3 Total equity

Total equity decreased by NOK 37,769,590, or 52.7% to NOK 33,924,453 as of 31 December 2023 compared to NOK 71,694,043 as of 31 December 2022. The decrease was primarily due to net loss for the year in developing the business, reducing retained earnings by NOK 43,409,265, partially offset by an increase in other paid in capital due to share based compensation of NOK 5,639,676.

At the extraordinary General Meeting on 27 September 2023 a reduction of share capital by reducing the nominal value of the shares was concluded in order to facilitate the conversion of the Group to a public limited liability company. The reduction was transferred to other equity, with a zero net effect on equity. The new share capital of the Group is NOK 26,766,697.50, divided on 53,533,395 shares, each with a nominal value of NOK 0.5.

10.6.2.4 Total non-current liabilities

Total non-current liabilities increased by NOK 33,434,403, or 181.7% to NOK 51,834,403 as of 31 December 2023 compared to NOK 18,400,000 as of 31 December 2022. The increase was primarily due to an increase in debt to financial institutions due to two new term loans of EUR 1,073,400 and EUR 3,075,000. Total increase in non-current portion of debt to financial institution were NOK 26,812,693 as of 31 December 2023. Further, the non-current portion of lease liabilities increased by NOK 6,621,710 due to new leases of office spaces and office equipment. Both the new borrowings and the new lease of office space are in accordance with the Group’s financing strategy as further described in Section 10.11 “Financing”.

10.6.2.5 Total current liabilities

Total current liabilities increased by NOK 47,763,557, or 391.4% to NOK 59,968,429 as of 31 December 2023 compared to NOK 12,204,872 as of 31 December 2022. The increase was primarily due to an increase in trade creditors of NOK 13,952,049 related to increased operations, an increase in prepayments from customers (contract liabilities) of NOK 13,660,071. In addition, there was an increase of NOK 13,900,894 in the current portion of debt to financial institutions related to increased borrowings described in the paragraph above.

10.6.3 Financial position as of 31 December 2022 compared to as of 31 December 2021

The table below shows summarises historical balance sheet data related to the Group’s activities and is extracted from the Group’s audited consolidated Annual Financial Statements as of 31 December 2022 and 2021.

Financial position	As of 31 December			
	2022	Change in NOK	Change in %	2021
<i>(Amounts in NOK)</i>				
ASSETS				
Intangible assets	6,476,912	(431,794)	(6.2)%	6,908,706
Plant, property, and equipment	23,592,281	20,627,561	695.8%	2,964,720
Right of use assets	132,382	(529,530)	(80.0)%	661,912
Total non-current assets	30,201,576	19,666,238	186.7%	10,535,338
Accounts receivables	1,995,475	1,995,475	-	-
Contracts assets	-	-	-	-
Other current receivables	8,536,628	6,501,882	319.5%	2,034,746
Cash and cash equivalents	61,565,235	(23,578,313)	(27.7)%	85,143,548
Total current assets	72,097,338	(15,080,956)	(17.3)%	87,178,294
Total assets	102,298,915	4,585,283	4.7%	97,713,632
EQUITY AND LIABILITIES				
Share capital	53,533,395	2,950,619	5.8%	50,582,776
Share premium	81,072,850	6,008,050	8.0%	75,064,800
Other paid in capital	14,467,512	10,041,902	226.9%	4,425,610
Other equity	(77,379,714)	(34,415,139)	80.1%	(42,964,575)
Total equity	71,694,943	(15,413,668)	(17.7)%	87,108,611
Lease liabilities	-	(144,729)	(100.0)%	144,729
Debt to financial institutions	18,400,000	18,400,000	-	-
Total non-current liabilities	18,400,000	18,255,271	12,613.4%	144,729
Trade creditors	1,372,646	(4,043,071)	(74.7)%	5,415,717
Lease liabilities	144,729	(387,913)	(72.8)%	532,642
Contract liabilities	-	-	-	-
Current- portion of debt to financial institution	4,600,000	4,600,000	-	-
Public duties payable	1,388,218	658,941	90.4%	729,277
Other current liabilities	4,699,280	916,624	24.2%	3,782,656
Total current liabilities	12,204,872	1,744,580	16.7%	10,460,292
Total liabilities	30,604,872	19,999,851	188.6%	10,605,021
Total equity and liabilities	102,298,915	4,585,283	4.7%	97,713,632

10.6.3.1 Total non-current assets

Total non-current assets increased by NOK 19,666,238, or 186.7% to NOK 30,201,576 as of 31 December 2022 compared to NOK 10,535,338 as of 31 December 2021. The increase was primarily due to an increase in net property, plant, and equipment of NOK 20,627,561 related to the Group's investment strategy to buy and set into commencement a CapsolGo® unit to deliver the first OTSP programme for a customer. As the CapsolGo® unit was in commencement and operations from September 2022, depreciations also impacted and reduced the carrying value of the property, plant, and equipment. The net increase in property, plant and equipment was partially offset by depreciation of right of use assets of NOK 529,530 and amortisation of patents of NOK 431,794.

10.6.3.2 Total current assets

Total current assets decreased by NOK 15,080,956, or 27.7% to NOK 72,097,338 as of 31 December 2022 compared to NOK 87,178,294 as of 31 December 2021. The decrease was mainly due to a NOK 23,578,313 reduction in cash and cash equivalents as a consequence of the investment strategy of the Group to buy CapsolGo® units, and also develop and scale up the business, as further described in Section 10.10 “Investments”. The decrease was partially offset by an increase in accounts receivables related to new revenues from the CapsolGo® units of NOK 1,995,475. An increase in other current receivables of NOK 6,492,882, primarily related to VAT receivables and a government grant that was approved, but the cash not yet received as of 31 December 2022.

10.6.3.3 Total equity

Total equity decreased by NOK 15,413,668, or 17.7% to NOK 71,694,943 as of 31 December 2022 compared to NOK 87,108,611 as of 31 December 2021. The decrease was primarily due to net loss for the year reducing retained earnings by NOK 34,415,139, partially offset by an increase in other paid in capital due to share based compensation of NOK 10,041,902 and share issue of NOK 8,958,669.

10.6.3.4 Total non-current liabilities

Total non-current liabilities increased by NOK 18,255,271, to NOK 18,400,000 as of 31 December 2022 compared to NOK 144,729 as of 31 December 2021. In November 2022 the Group entered into a NOK 23 million NOK Term Loan to finance the construction of two CapsolGo® demonstration units in accordance with the financing strategy as further described in Section 10.11 “Financing”. As of 31 December 2022, NOK 18,400,000 of the debt to financial institution was classified as *non-current*. The increase was partially offset by a decrease in the non-current portion of lease liabilities by NOK 144,779 as the lease contract had less than one year remaining as of 31 December 2022.

10.6.3.5 Total current liabilities

Total current liabilities increased by NOK 1,744,580, or 16.7% to NOK 12,204,872 as of 31 December 2022 compared to NOK 10,460,292 as of 31 December 2021. The increase was primarily due to an increase in the current portion of debt to financial institutions of NOK 4,600,000 related to increased borrowings described in the paragraph above, partially offset by a decrease in trade payables of NOK 4,043,071.

10.7 Liquidity and capital resources

The Group's primary source of liquidity is equity injected by its shareholders as well as loans from financial institutions and its cash flow from operations.

The Group's liquidity requirements consist primarily of funding of the Group's current operations, buying CapsolGo® demonstration units and liquification units, developing new applications of the Group's technology, strategic initiatives within new markets, new applications of its technology and new revenue streams. Currently, the Group operates in Europe and with a key strategic goal for 2024 to expand into North America. In terms of products the main focuses are technical and commercial development of the CapsolGT® solution for carbon capture from gas turbines, development of the CapsolEoP® (end-of-pipe) solution and expanding the CapsolGo® mobile demonstration program.

On 14 February 2024, the Group carried out the Private Placement, see Section 4.1.1 “The Private Placement” for details. In addition, the Group is financed with certain loan facilities, see Section 10.11 “Financing” for det.

As of 31 March 2024, the Group had NOK 97,265,015 of cash and cash equivalents, which is primarily held in NOK in a reputable bank. The Group's equity to total assets ratio was 54.3% as of 31 March 2024. From 31 March 2022 and up to the date of this Prospectus, there have been no significant changes in the Group's financial position of the Group. For more information about the capitalisation and net financial indebtedness of the Group, please see Section 8 "Capitalisation and indebtedness".

The Group manages its liquidity to ensure it has a sufficient liquidity reserve to meet the liabilities in the short and long term to safeguard its ability to continue as a going concern in order to provide returns to shareholders and other benefits for its various stakeholders. Management develops a rolling forecast on liquidity, which are regularly monitored against the financial liabilities.

The Group's ability to generate cash from its operations depends on the Group's future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, political, regulatory and other factors, many of which are beyond the Group's control, as well as other factors discussed in the Section 2 "Risk Factors".

10.8 Cash flows

The following table sets out financial information extracted from the cash flow statement relating to the Group for the financial years ended 31 December 2023, 2022, and 2021 and the three-month period ended 31 March 2024:

<i>(Amounts in NOK)</i>	Three-month period ended 31 March	Year ended 31 December		
	2024	2023	2022	2021
Cash flow from operating activities	(18,145,301)	(4,901,300)	(32,023,483)	(14,607,467)
Cash flow from investing activities	(2,556,750)	(51,299,634)	(22,125,351)	(2,964,720)
Cash flow from financing activities	75,546,679	39,168,097	30,570,523	101,940,274
Net change in cash and cash equivalents	54,844,627	(17,032,838)	(23,578,312)	84,368,087
Cash and cash equivalents	97,265,016	41,615,681	61,565,235	85,143,548

10.8.1 Cash flow for the three-month period ended 31 March 2024 compared with the year ended 31 December 2023

10.8.1.1 Cash flow from operating activities

The Group's cash flow from operating activities had an outflow of NOK 18,145,301 for the three-month period ended 31 March 2024 compared to an outflow of NOK 4,901,300 for the year ended 31 December 2023. The increase in cash outflow of NOK 13,244,001 was primarily due to net payment of trade creditors by NOK 9,80,635 and decrease in trade receivables of NOK 923,777. Other accruals also increased by NOK 2,125,280 in the period mainly from a change in public duty payables of NOK 779,621, other current debt by NOK 522,469 and a change in other short-term receivables of NOK 796,724.

10.8.1.2 Cash flow from investing activities

The Group's cash flow from investing activities had an outflow of NOK 2,556,750 for the three-month period ended 31 March 2024 compared to an outflow of NOK 51,299,634 for the year ended 31 December 2023. The decrease in cash outflow of NOK 48,742,884 was primarily due to lower payments from

investments in CapsolGo® demonstration units. This periods' payment of NOK 2,556,750 relates to the third CapsolGo® unit.

10.8.1.3 Cash flow from financing activities

The Group's cash flow from financing activities had an inflow of NOK 75,546,679 for the three-month period ended 31 March 2024 compared to an inflow of NOK 39,168,097 for the year ended 31 December 2023. The increase in cash inflow of NOK 114,714,776 was primarily due to capital raise in February of net NOK 82,138,531. There was a repayment of borrowings of NOK 4,671,846 of the loan facilities with DNB and an interest payment of NOK 1,302,383 related to these loans.

10.8.2 Cash flow for the year ended 31 December 2023 compared with the year ended 31 December 2022 extracted from the financial statements

10.8.2.1 Cash flow from operating activities

The Group's cash outflow from operating activities decreased by NOK 27,122,183 to NOK 4,901,300 for the year ended 31 December 2023 compared to NOK 32,023,483 the year ended 31 December 2022. The increase in cash outflow of NOK 27,122,183 was primarily due to an increase in operating income of NOK 23,371,796. Additionally, the increase in cash outflow was primarily driven by changes in working capital and payables as one more CapsolGo® unit was put into operation and prepayments from customers for the delivery of contracted CapsolGo® campaigns increased accordingly. The increase in working capital was principally due to an increase in change in trade and other receivables of NOK 15,941,091 and an increased change in contract balances on NOK 11,924,967.

10.8.2.2 Cash flow from investing activities

The Group's cash flow from investing activities went from an outflow of NOK 22,125,351 for the year ended 31 December 2022 to an outflow of NOK 51,299,634 in the year ended 31 December 2023. The increase was primarily due to investments in CapsolGo® demonstration units liquification units of NOK 51,218,785. A development of a new technological digital platform has an outflow of NOK 1,292,394 in the year ended 31 December 2023, and an inflow of approved government grants of NOK 1,211,545 was also received in the year ended 31 December 2023.

10.8.2.3 Cash flow from financing activities

The Group's cash flow from financing activities went from an inflow of NOK 30,570,523 for the year ended 31 December 2022 to an inflow of NOK 39,168,097 in the year ended 31 December 2023. The increase was primarily due to proceeds from a green loan facility with DNB.

10.8.3 Cash flow for the year ended 31 December 2022 compared with the year ended 31 December 2021 extracted from the financial statements.

10.8.3.1 Cash flow from operating activities

The Group's cash outflow from operating activities increased by NOK 17,416,016 to NOK 32,023,483 for the year ended 31 December 2022 compared to NOK 14,607,467 for the year ended 31 December 2021. The increase was primarily driven by an increased loss from operations adjusted for non-cash items of NOK 3,222,562 and an increase in working capital of NOK 15,108,693 as operations grew during the year with the start of the first CapsolGo® and OTSP programme. The increase in working capital is due to an increase in accounts receivables, reduced trade creditors and reduced other current assets and liabilities. It was partially offset by an increase in interest received by NOK 915 238.

10.8.3.2 Cash flow from investing activities

The Group's cash outflow from investing activities increased by NOK 19,160,631 to NOK 22,125,351 for the year ended 31 December 2022 compared to NOK 2,964,720 for the year ended 31 December 2021. The increase was primarily due to investments in CapsolGo®.

10.8.3.3 Cash flow from financing activities

The Group's cash inflow from financing activities decreased by NOK 71,369,751 to NOK 30,570,523 in the year ended 31 December 2022 compared to NOK 101,940,274 in the year ended 31 December 2021. The decrease in cash inflow of NOK 71,369,751 was primarily due to a reduced inflow of equity received of NOK 93,459,871 and also an increase in repayment of lease liabilities and interests of NOK 940,002. It was partially offset by an increase in proceeds from borrowings of NOK 23,000,000.

10.9 Capital management

The Group defines capital as equity, including other reserves. The Group's main objective when managing capital is to ensure the ability of the Group to continue as a going concern and to meet all requirements imposed by the external financing agreements. Further, the objective of financial risk management is to manage and control financial risk exposures and thereby increase the predictability of earnings and minimise potential adverse effects on the Group's financial results and performance. The Group continuously monitors liquidity situation and currency exposure, taking a balanced approach to matching currency in cost, debt and revenue. The Group has limited cost and investment commitments, allowing for flexible cost/liquidity management.

Financial assets held by the Group mainly comprise cash and cash equivalents and trade receivables. Financial liabilities are of borrowings, lease liabilities, and trade payables. In conducting its operations, the Group faces the following main types of risks: credit risk, liquidity risk, market risk as well as risks associated with access to and terms of financing. Management keeps track of the evolution of the different risks, and the potential impact to the Group. For instance, Management develops a rolling forecast on liquidity, which are regularly monitored against the financial liabilities. The Group has not entered into any derivative contracts to manage its exposure to financial risks during 2023, 2022 or 2021.

10.10 Investments

The Group has with its licence strategy a capital-light business model, where the historical investments are mainly in the CapsolGo® demonstration units and with research and development activities related mainly to development of the patents on carbon capture technology.

For the Group to meet its long-term goals, and maximise impact and shareholder value creation, the Group will prioritise investing in growth over dividends in the near to medium term. The table below sets forth the Group's capital expenditures for the years ended 31 December 2023, 2022, and 2021 and the three-month period ended 31 March 2024.

	Three-month period ended 31 March			
	Year ended 31 December			
(Amounts in NOK)	2024	2023	2022	2021
Payment for property, plant, and equipment	2,556,750	51,218,785	22,125,351	2,964,720
Payment for intangible assets.....	-	1,292,394	-	-
Government grants.....	-	(1,211,545)	-	-
Net capital expenditures.....	2,556,750	51,299,634	22,125,351	2,964,720

The Group's capital expenditures comprise mainly of construction of CapsolGo® demonstration units and liquification units, both recognised within property, plant and equipment, research and development activities relate mainly to development of the patents on carbon capture technology. Internal costs to develop the CapsolGo® units have been recognised as part of property, plant, and equipment. In addition, development of a new technological digital platform has been recognised as intangible assets in 2023. For other research and development costs relating to the developing the patents and technology, management has assessed that the requirements to capitalise is not present.

For the three-month period ended 31 March 2024 the Group's net capital expenditures were NOK 2,556,750, relating to the new CapsolGo® unit to be delivered in Q2 2024.

For the financial year ended 31 December 2023 the Group's net capital expenditures were NOK 51,299,634, mainly relating to investments in CapsolGo® demonstration units of NOK 51,218,785. Further NOK 1,292,394 was invested in developing patented technology for large-scale CO₂ capture in power production and other industrial applications. The investments were partially offset by NOK 1,211,545 in received government grants payments for the development of the CapsolGo® as part of the Norwegian R&D tax incentive scheme (*Nw: Skattefunn*). The grants were approved in 2022 and accounted for as a reduction of the initial acquisition cost of the property, plant, and equipment in the 2022 financial statements, while the payment from the government were first received in 2023. The Group also capitalized some personnel and other operating expenses as part of the R&D tax incentive scheme project. The capital expenditure for the year ended 31 December 2023 was funded with borrowings.

For the financial year ended 31 December 2022 the Group's capital expenditures were NOK 22,125,351, exclusively relating to development of CapsolGo® units. The capital expenditure for the year ended 31 December 2022 was funded with borrowings and cash at hand.

For the financial year ended 31 December 2021 the Group's capital expenditures were NOK 2,964,720 relating to development of CapsolGo® units. The capital expenditure for the year ended 31 December 2021 was funded with cash raised through share issue.

The Group has entered into contracts to acquire one additional CapsolGo® unit and a liquefaction unit from its two main suppliers. The expected cash outflows outstanding as of 31 March 2024 totalling NOK 20.2 million will be funded with cash at hand.

10.11 Financing

The Group is financed with the following three term loans with DNB Bank ASA (“**DNB**”), totalling NOK 60,829,715 as of 31 March 2024.

In November 2022 the Group entered into a NOK 23 million sustainable term loan with DNB as the lender and three-year maturity (the “**NOK Term Loan**”). The purpose of the NOK Term Loan was to finance two CapsolGo® demonstration units. The interest rate is based on NIBOR plus a margin of 2.95% p.a. If the Group does not fulfil certain sustainability criteria the margin may increase. The Group is required to have a book value of equity above zero. The Group has pledged property, plant and equipment and accounts receivable as security.

In April 2023 the Group entered into a EUR 1,073,400 sustainable term loan with DNB with three-year maturity (the “**EUR Term Loan**”). The purpose of the EUR Term Loan was to finance one CapsolGo® test unit. The interest rate is based on EURIBOR plus a margin of 2.95% p.a. If the Group does not fulfil certain sustainability criteria the margin may increase. The Group is required to have a book value of equity above zero and available cash of at least one year of interest payments at all times. The Group has pledged property, plant and equipment and accounts receivable as security.

In November 2023 the Group entered into a EUR 3,075,000 multi-currency term loan with DNB with three-year maturity (the “**Multicurrency Term Loan**”). The purpose of the Multicurrency Term Loan was to finance one CapsolGo® test unit, liquification unit and general corporate purposes. The interest rate is based on EURIBOR plus a margin of 2.90% p.a. If the Group does not fulfil certain sustainability criteria the margin may increase. The Group is required to have a book value of equity above zero and available cash of at least one year of interest payments at all times. The Group has pledged property, plant and equipment and accounts receivable as security.

The Group has complied with all covenants in the period covered by this Prospectus. There are no restrictions on capital resources as long as the Group is in compliance with the covenants. The Group is compliant with all loan covenants as of the date of this Prospectus.

10.12 Government grants

The Group has recognised government grants related to the Norwegian R&D tax incentive scheme (Skattefunn) with development of the CapsolGo® units, recognised as Property, plant and equipment. The grant has reduced the initial acquisition cost of the property, plant and equipment with the grants recognised. Some personnel and other operating expenses have been capitalised as part of the Skattefunn project. The table below shows the grants the Group has received.

	Three-month	Year ended 31 December		
	period ended 31 March			
(Amounts in NOK)	2024	2023	2022	2021
Skattefunn	-	2,511,228	1,211,545	-
Government grants received	-	2,511,228	1,211,545	-

10.13 Critical accounting policies and estimates

10.13.1 Significant accounting judgements, estimates and assumptions

The application of accounting policies requires that management makes estimates and judgements in determining certain income, expenses, assets, and liabilities. The following areas involve a significant degree of judgement and complexity, and may result in significant variation in amounts:

- first time adoption to IFRS;
- research and development activities; and
- see note 1.3 in the Annual Financial Statements for further information.

10.13.2 Accounting principles

10.13.2.1 Revenue recognition

The Group has currently two revenue streams:

- CapsolGo® demonstration units where the performance obligation is to provide the customers with one or more operation and testing packages (OTSP) to demonstrate the technology on the customers sites and facilities. Revenue is recognised over time over the planned demonstration period, normally between five-seven months.
- Engineering services and feasibility studies. Each agreed engineering service or feasibility study is a performance obligation. The revenue from engineering and feasibility studies are recognised point in time when predefined milestones are reached.

In due time, the Company expects to also have a third revenue stream; licencing revenues. As of the date of this prospectus, the Company has no such license agreements. See Section 7.2.1 “Revenue streams and operating segment” for a detailed overview of the revenue streams.

Any costs to prepare the CapsolGo® demonstration units are a cost to fulfil the performance obligation and are initially recognised as contract assets and will be amortised as the performance obligation is satisfied (over the planned testing period).

Prepayments from customers are initially recognised as contract liabilities and recognised as revenue as the performance obligation is satisfied.

10.13.2.2 Personnel expenses

The Group recognises the undiscounted amount of short-term employee benefits expected to be paid to its employees in exchange for their services. Obligations for short-term employee benefits mainly include wages and salaries, bonuses, annual leave and accumulated sick leave that are expected to be settled within twelve months of the reporting date. Employee benefit obligations are included in other current liabilities in the statement of financial position.

10.13.2.3 Share based payment

Share-based compensation programs are provided to the Group’s employees. These programs are equity-settled, since services rendered by the employees will be settled with the Group’s own equity instruments.

The cost of the equity-settled program is measured at the fair value of the options, at the grant date. The cost is recognised as 'employee benefit expenses', with a corresponding increase in equity, over the vesting period. The vesting period is the period over which the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its best estimates of the number of options expected to vest, recognising in the statement of comprehensive income the difference between the cumulative expense at the beginning and period-end dates, with a corresponding adjustment to equity.

When the options vest in annual instalments over the vesting period, in substance it implies that each instalment has a different vesting period. Therefore, the Group accounts for each "tranche" as a separate award.

The Group recognises social security taxes from its share-based payments in line with IAS 37 'Provisions, contingent liabilities and contingent assets'. The Group assumes that the activity that triggers the payment is the granting of the options to its employees and measures the liability as the share price per the reporting date, minus the strike price of the options, multiplied by the current applicable social security tax rate.

10.13.2.4 Depreciation and amortisation

Depreciation and amortisation expenses are measured on a straight-line basis over the estimated useful life of the asset, commencing when the asset is ready for its intended use.

10.13.2.5 Taxes

The tax expense consists of the tax payable and changes to deferred tax. Deferred tax/tax assets are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax is calculated as 22 percent of temporary differences and the tax effect of tax losses carried forward. Deferred tax assets are recorded in the balance sheet when it is more likely than not that the tax assets will be utilised. Taxes payable and deferred taxes are recognised directly in equity to the extent that they relate to equity transactions.

10.13.2.6 Financial items

Transactions in foreign currency. Foreign currency transactions are translated into NOK using the exchange rates on the transaction date. Monetary balances in foreign currencies are translated into NOK at the exchange rates on the date of the balance sheet. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

10.13.2.7 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of Group, excluding any costs of servicing equity other than ordinary shares; by the weighted average number of ordinary shares outstanding during the financial year.

10.13.2.8 Intangible assets

The Group holds patented technology for large-scale CO₂ capture in power production and other industrial applications and started to depreciate the patents in 2021. Intangible assets are initially recognised at cost and amortised to their residual values over their economic useful life using the straight-line method. Estimated residual values and expected useful lives of assets are reviewed by the Group at least at each

financial reporting date. The patents have an average useful life of 17 years from the start of its amortisation in 2021.

10.13.2.9 Property, plant, and equipment

Property, plant, and equipment ('PPE') is initially recognised at cost and subsequently measured at cost less accumulated depreciation and impairments.

10.13.2.10 Impairment of non-financial assets

Non-financial assets held by the Group, other than goodwill, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

10.13.2.11 Financial assets and liabilities

The Group has only financial instruments measured at amortised cost. The group has not had any financial instruments measured at fair value in the reporting period 1 January 2021 to 31 December 2023. The financial instruments' amortised cost is considered to be a close approximation to their fair value.

10.13.2.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred that are directly attributable to the issuance of the financial liability. After initial recognition, borrowings are measured at amortised cost. Any difference between the net proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities except for the portion of the liability that is due to be settled more than twelve months after the reporting period, or for the portion the Group has an unconditional right to defer settlement for at least twelve months after the reporting period.

10.13.2.13 Leasing

The Group recognises right-of-use assets and lease liabilities for all lease contracts, except leases that are considered short-term (lease term of 12 months or less), or leases for underlying assets that are of a low value. Management considers as low value those assets that are worth NOK 50 thousand or less when new.

The right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liabilities less any lease payments made at or before the commencement date of the lease, and initial direct costs and lease incentives received.

Subsequently, right-of-use assets are measured at cost less accumulated depreciation and impairments and adjusted for certain remeasurements of the lease liabilities. Depreciation of the right-of-use asset is carried out using the straight-line method over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities are recognised at the lease commencement date. The lease liabilities are measured as the present value of future lease payments, discounting by the Group's incremental borrowing rate. Lease

payments mainly consist of fixed payments, which are typically updated by changes on consumer price indexes or interest rate levels. Lease liabilities are measured at amortised cost using the effective interest rate method. If there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or the Group changes its assessment of whether it will exercise a purchase, extension or termination option, the liability is remeasured and a matching adjustment is made to the carrying amount of the related right-of-use asset. No significant changes in this regard have occurred during the period.

10.13.2.14 Accounts receivables

Accounts receivables are recognised at the original invoiced amount, less impairment losses. The invoiced amount is considered to be approximately equal to the value derived if the amortised cost method would have been used. Impairment losses are estimated based on the expected credit loss method (ECL) for accounts receivables, contract assets (with or without a significant financing component) and other receivables.

10.13.2.15 Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them; and the grant will be received.

Government grants relating to the purchase of property, plant and equipment are normally included as a reduction of the carrying amount of the related assets. These provisions are recognised in the consolidated statement of financial performance, on a systematic basis, as an offset to the depreciation expenses from the Group.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

For information regarding assumptions, methods, accounting policies and the use of estimates and judgements, please see the Annual Financial Statements.

10.14 Significant changes in the issuer's financial position

There have not been any significant changes in the Group's financial position which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published.

10.15 Property, plant, and equipment

The Group is currently not aware of any environmental issues that may negatively affect the Group and its subsidiary's utilisation of their sites, equipment, or other assets. The Group's property, plant and equipment consist of CapsolGo® demonstration units and liquification units with a total book value of NOK 67,267,596 as of 31 December 2023 and NOK 8,522,788 in right-of-use assets relating to leased office premises and office equipment as of 31 December 2023.

Based on a longer timeframe the Group's business, equipment and other assets are subject to both risks and opportunities from environmental factors relating to climate change. The nature and level of these risks is dependent on governments, business, and society's response to climate change both in the long and short term. With a continued strong response to the climate challenge in the short term up to 2030, the Group anticipates its business and utilisation of assets will be affected positively as their will be an increased

demand for the Group's solutions and services. A more limited response to climate change from governments, businesses and society would likely lead to less demand for the Group's solutions and services and would potentially impact utilisation of its equipment and assets. In the long term past 2030 a limited response may also lead to physical effects such as extreme weather and higher temperatures that may pose other challenges to the Group's utilisation of their sites, equipment, or other assets. The Group works to mitigate the negative environmental impact of industries effect on climate change through strong investments in R&D, through the supply chain by leveraging their purchasing power to suppliers who support the green transition and through advocacy towards governments, public and organisations to ensure knowledge on carbon capture and storage as a solution to combat climate change.

10.16 Off-balance sheet arrangements

The Group is not party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on the Group's financial condition, results of operations, liquidity, capital expenditure or capital resources.

11 ORGANISATION, BOARD OF DIRECTORS AND MANAGEMENT

11.1 Introduction

The General Meeting is the highest decision-making authority of the Company. All shareholders of the Company are entitled to attend and vote at general meetings and to table draft resolutions for items to be included on the agenda for a general meeting.

The overall management of the Company is vested with its Board of Directors and Management. In accordance with Norwegian law, the Board of Directors is responsible for, among other things, supervising the general and day-to-day management of the Company's business ensuring proper organisation, preparing plans and budgets for its activities ensuring that the Company's activities, accounts and assets management are subject to adequate controls and undertaking investigations necessary to perform its duties.

The Board of Directors has three sub-committees; a nomination committee, see Section 11.12.1 "Nomination committee", an audit committee, see Section 11.12.2 "Audit committee", and a remuneration committee, see Section 11.12.3 "Remuneration committee".

The Management is responsible for the day-to-day management of the Company's operations in accordance with Norwegian law and instructions set out by the Board of Directors. Among other responsibilities, the Company's CEO, is responsible for keeping the Company's accounts in accordance with existing Norwegian legislation and regulations and for managing the Company's assets in a responsible manner. In addition, the CEO must, according to Norwegian law, brief the Board of Directors about the Company's activities, financial position and operating results at a minimum of one time per month.

11.2 The Board of Directors

11.2.1 Overview

The Articles of Association provide that the Board of Directors shall consist of between three and nine board members, elected by the shareholders of the Company in an ordinary or extraordinary general meeting (as applicable). The names, positions, and current term of office of the Board Members as of the date of this Prospectus are set out in the table below, together with their respective shareholdings in the Company.

Name	Position	Served since	Term expires	Shares held	Options
Endre Ording Sund	Chairperson	2018	2025	1,844,136 ⁷³ (3.05%)	100,000
Ellen Merete Hanetho	Board member	2023	2025	-	112,500
John Arne Ulvan	Board member	2021	2025	19,841 (0.03%)	225,000
Monika Inde Zsak	Board member	2021	2025	5,952 ⁷⁴ (0.01%)	225,000
Wayne Gordon Thomson	Board member	2022	2025	11,904 (0.02%)	225,000

⁷³ Shares held through Oppkuven AS, a company controlled by Endre Ording Sund.

⁷⁴ Shares held through Miz Venture AS, a company controlled by Monika Inde Zsak.

The Company's registered business address, Drammensveien 126, 0277 Oslo, Norway, serves as business address for the Board Members in relation to their directorship in the Company.

The Board of Directors is in compliance with the independence requirements of the Norwegian Code of Practice for Corporate Governance dated 14 October 2021 (the "**Corporate Governance Code**"), meaning that (i) the majority of the shareholder-elected members of the Board of Directors are independent of the Company's (and the Group's) executive Management and material business contracts, (ii) at least two of the shareholder-elected members of the Board of Directors are independent of the Company's main shareholders, and (iii) no members of the Company's executive Management are on the Board of Directors.

All of the Board Members, with exception of Endre Ording Sund, are independent of the Management and material business contracts, see Section 12 "*Related party transactions*". All Board Members are independent of the Company's main shareholders.

11.2.2 Brief biographies of the Board of Directors

Set out below are brief biographies of the Board Members, including their relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Board of Directors is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and management positions in the Company or its subsidiaries).

Endre Ording Sund - Chairperson of the Board of Directors

Endre Ording Sund holds several board positions in a variety of companies such as Altitude Capital AS and Melberg Partners AS and has previous board experience from board positions at Ferd, Euronav NV, PGS ASA and Awilco ASA. His working career includes CEO of the A. Wilhelmsen group, Head of Oil, Gas & Shipping related corporate finance business in SEB from 2002-2007, and several leading and founder roles within the private equity industry. Sund is educated from the Royal Norwegian Naval Academy, the Norwegian School of Economy and Finance (BI) and Harvard Business School (PMD). Sund has from his professional career significant experience with the reporting and information obligations applicable for a company with its shares admitted to trading on the Oslo Stock Exchange.

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> • Altitude Capital Management AS (chairperson of the board) • Altitude Capital AS (board member) • Alphecca AS (CEO and board member) • Oppkuven AS (CEO and chairperson of the board) • Melberg Partners AS (chairperson of the board)
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> • Maritime Merchant Bank ASA (chairperson of the board and co-founder)

Ellen Merete Hanetho – Board Member

Ellen Merete Hanetho has extensive experience from executive positions within finance, strategic business development and private equity in companies such as Brussels Stock Exchange and Citibank in Brussels, Goldman Sachs Investment Banking Division in London and New York, Credo Partners, Frigaardgruppen and Cercis in Oslo, and through various board engagements. She founded Cercis in 2020 to focus on business development and investments combining technological advances and capital to create profitable companies that contribute to solving global challenges.

Ellen has served on a number of boards and held several board positions including chairperson of the board of Hydrogenpro ASA, Fleks AS and Mer AS, and board member of Kristian Gerhard Jebsen Group Limited, Stokke Industri AS, Kongsberg Automotive ASA, Eqva ASA and MPC Container Ships ASA. Ms. Hanetho has a BSBA from Boston University and an MBA from Solvay University, in addition to executive training from INSEAD and Harvard Business School. Ms. Hanetho has vast experience from various positions in listed companies and is well familiar with applicable regulations for companies listed on Oslo Stock Exchange.

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> • B2 Impact ASA (board member) • Cercis AS (chairperson of the board) • EQVA ASA (board member) • MPC Energy Solutions ASA (board member) • Stokke Industri AS (board member) • MPC Container Ships ASA (board member)
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> • HydrogenPro ASA (chairperson of the board) • Kongsberg Automotive ASA (board member)

John Arne Ulvan - Board Member

John Arne Ulvan has held numerous executive positions in a variety national, international, and listed companies, including Yara International ASA and Norsk Hydro ASA. From 2011 to 2020 he was the CEO/Group CEO of Felleskjøpet Agri SA. Ulvan has held several board positions and is currently a board member of Borregaard ASA. Ulvan has a M.Sc. in Chemistry/Chemical Engineering from the Norwegian University of Science and Technology (NTNU/NTH). Ulvan has from both Yara International ASA, Norsk Hydro ASA and Borregaard ASA vast experience in the reporting and information obligations applicable to the Issuer when listed on Oslo Stock Exchange.

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> • Borregaard ASA (board member) • Borregaard AS (board member)
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> • Mantena AS (CEO) • Felleskjøpet Agri SA (CEO) • Agrol AS (board member) • Agri MI AS (board member) • Cernova AS (chairperson of the board) • Norgesmøllene AS (chairperson of the board) • Moelven ASA (member of the corporate assembly)

Monika Inde–Zsak - Board Member

Monika Inde Zsak has experience as an advisor within the energy and renewables sector. Inde Zsak is currently a partner at Futurum Ventures, a Venture capital firm providing active ownership and funding to startups and growth companies within sustainability. She has previously worked at BKK as Head of Innovation & Venture and as a senior manager for Accenture Strategy. She currently serves as a board member at several seed funds and startups in Norway, including Tibber AS. Inde Zsak has an MSc (Master of Science) in industrial engineering and a Master in Finance from the Norwegian University of Science and Technology (NTNU) and University of New South Wales, Australia (UNSW).

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> • Tibber AS (chairperson of the board) • Spoor AS (chairperson of the board) • Evyon AS (board member) • DREM AB (board member) • Skeie Teknologi AS (board member) • Glint Solar AS
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> • Loopfront AS (board member) • Connect (chairperson of the board) • Sarsia Seed (board member) • Bergen Carbon Solution AS (board member) • EV Private Equity (advisory board) • Fjordinvest AS (board member) • BKK Elsikkerhet AS (board member) • BKK Varme AS (board member) • BKK Digitek AS (board member) • BKK Energitjenester AS (board member) • Volte AS (board member) • Innovation Norway (jury member)

Wayne Gordon Thomson - Board Member

Wayne G. Thomson has an extensive career internationally as a top executive with strong results from private and listed companies. Up until 2021, Mr. Thomson was chairperson of Svante Inc., a Canadian carbon capture technology company. Thomson was chairperson in a key period of Svante Inc's development and growth stage from 2015 to 2021. He also held the position as executive chairperson for a period. Thomson's career includes holding the positions of Director at TG World Energy Corporation, Orion Oil and Gas Corporation, EnCana Corporation, Iskander Energy Inc., and Cenovus Energy Inc. He has also served as the chairperson of the board of listed company Maha Energy Inc. Mr. Thomson currently serves as the chairperson of the board of Envirovalve Inc. and Blue Sky Hemp Ventures Inc. Thomson has a B.Sc. in Mechanical Engineering from the University of Manitoba, in addition to Post University courses in management and petroleum engineering.

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> • Blue Sky Hemp Ventures Inc. (chairperson of the board) • Enviro Valve Inc. (chairperson of the board) • Transition Energy International AB (director)
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> • Svante Inc. (chairperson of the board) • Maha Energy AB (chairperson of the board) • Cenovus Energy Inc. (director)

11.3 Management

11.3.1 General

As of the date of this Prospectus, the Management consists of six individuals. The names of the members of the Management and their positions are presented in the table below, together with information on the numbers of shares and options held by each respective individual.

Name	Position	Employed since	Shares held	Options
Wendy Lam	Chief Executive Officer (CEO)	2024	15,873 (0.03%)	850,000
Ingar Bergh	Chief Financial Officer (CFO)	2021	30,673 ⁷⁵ (0.05%)	750,000
Tone Bekkestad	Chief Marketing Officer (CMO)	2020	772,673 ⁷⁶ (1.28%)	590,000
Cato Christiansen	Chief Technology Officer (CTO)	2022	-	500,000
Johan Jungholm	Chief Commercial Officer (CCO)	2021	63,492 (0.10%)	230,000
Philipp Staggat	Chief Product Officer (CPO)	2021	4,000 (0.01%)	240,000

Reference is made to Section 11.7 “Share incentive programs” for further description of a share incentive program applicable for the Management and the employees of the Company.

The Company's registered business address, Drammensveien 126, 0277 Oslo, Norway, serves as business address for the members of the Management in relation to their employment with the Company.

11.3.2 Brief biographies of the Management

Set out below are brief biographies of the Management, including their managerial expertise and experience, in addition to an indication of any significant principal activities performed by them outside of the Company.

Wendy Lam, CEO

Wendy Lam assumed the position as CEO of the Company in February 2024. She has more than 20 years of global executive leadership experience from major international and listed industrial companies, including Baker Hughes, Rolls-Royce, and GE. Lam has a mechanical and industrial engineering degree from the Universities of Waterloo and Toronto and an MBA from INSEAD/Wharton, and is the chairperson of Heaten, a provider of decarbonised heat solutions and an advisory board member for Chrysalix Venture Capital.

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> • Heaten AS (chairperson of the board) • Chrysalix Venture Capital (advisory board member) • Green Transition Holding AS (board member) • INSEAD Alumni Energy Club (board member) • Angel Challenge AS (board member) • Lamolsen AS (board member)
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> • Capsol Technologies ASA (board member) • Baker Hughes (various roles) • INSEAD Alumni Association of Norway (board member) • INSEAD Opportunity Foundation (board member)

⁷⁵ Shares held through Octopoda AS, a company controlled by Ingar Bergh.

⁷⁶ Shares held through Tone Bekkestad AS, a company controlled by Tone Bekkestad.

Ingar Bergh, CFO

Ingar Bergh has 15 years of experience as an advisor and executive in the energy and shipping sectors. Bergh holds a MSc (Master of Science) in supply chain management and an MBA in Finance. He is also a Certified Financial Analyst. He has more than 15 years of experience as an advisor and executive in the energy and shipping sectors and has worked with the development, funding and commercialisation of large energy infrastructure projects based on novel technology. He has worked with, among others, Global LNG Services, Marsoft, DNV and Green Reefers. Further, he has worked as an advisor to owners, banks and investors on markets, operations and finance in maritime shipping.

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> N/A
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> Global LNG Services AS (COO)

Tone Bekkestad, CMO

Tone Bekkestad has extensive experience in communication and media working as an on-air meteorologist for TV4 Sweden for more than a decade, in addition to being a sought after moderator and lecturer on the topic of solutions to climate change. She completed her MSc (Master of Science) in Meteorology in 1994 after which she worked for NILU (The Norwegian Institute for Air Research), Weather One – a company developing state of the art weather presentation software for the broadcast industry, TV4 Sweden – Sweden’s largest commercial TV network, and running her own company Tone Bekkestad AS, before joining the Company.

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> Tone Bekkestad AS (CEO)
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> N/A

Cato Christensen, CTO

Cato Christensen has more than 20 years of experience from various roles within the energy sector. Cato completed his PhD in Mechanical Engineering in 2001 after which he worked for Scandpower Petroleum Technology (now Schlumberger), followed by Shell Technology Norway and the Norwegian Ministry of Petroleum and Energy, section for carbon capture and storage, before joining the Company in 2022.

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> N/A
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> N/A

Johan Jungholm, CCO

Johan Jungholm brings over 15 years of experience in B2B complex technical sales, marketing, and business development from companies like Fugro, CGG and Magseis Fairfield. Jungholm holds a BA with a double major in Geology and Environmental Science and has started a MSc in Applied Geoscience, both at the University of Pennsylvania. He brings over 15 years of experience in B2B complex technical sales, marketing, and business development from companies like Fugro, CGG and Magseis Fairfield, with customers and projects spanning West Africa, India, SE Asia, Brazil, Mexico, China, the United States, Middle East, Europe and more. He has a long track record and experience in the complexities around both public and private project management, procurement, and other commercial drivers in major projects.

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> N/A
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> Magseis Fairfield AS (board member)

Philipp Staggat, CPO

Philipp Staggat has over 10 years of experience working in various technical and commercial roles. Prior to joining the Company in 2021, Philipp worked with Siemens AG. Philipp holds both a bachelor in Mechanical Engineering from the Berliner Hochschule für Technik (BHT) and an MBA with distinction from London Business School. In Siemens AG, as a lead commissioning engineer for heavy duty rotating equipment, he commissioned powerplants in Europe, the US, South Korea, Malaysia, and the Middle East. He also managed the construction project of Siemens AG's R&D test power plant in Berlin, Germany. Additionally, he initiated and led various strategic projects for Siemens Energy's turbine LTP service department, serving customers in the regions Europe, Asia, and Africa.

Directorships and senior management positions	
Current directorships and senior management positions	<ul style="list-style-type: none"> N/A
Previous directorships and senior management positions last five years	<ul style="list-style-type: none"> N/A

11.4 Conflicts of interests

Wendy Lam, CEO of the Company is a board member of Green Transition Holding AS, one of the Company's suppliers. In addition, Endre Ording Sund, the chairperson of the Board of Directors is a board member of Altitude Capital AS, one of the Company's shareholders.

Otherwise, there are currently no other actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management or the Board of Directors, including any family relationships between such persons.

11.5 Convictions for fraudulent offences, bankruptcy etc.

During the last five years preceding the date of this Prospectus, none of the Board Members nor the Management have, or have had as applicable:

- any convictions in relation to fraudulent offences;
- been involved in any bankruptcies, receiverships, liquidations or companies put into administration where he/she has acted as a member of the administrative, management or supervisory body of a company, nor as partner, founder or senior manager of a company; or
- received any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a Company or from acting in the management or conduct of affairs of any Company.

11.6 Remuneration and benefits

11.6.1 Remuneration of the Board of Directors

The below table sets forth the amount of remuneration paid by the Company to its Board Members for the financial year ended 31 December 2023. It should also be noted that the Board of Directors participates in the share incentive program described in Section 11.7.2 "Share incentive program for the Board Members" below.

Overview of remuneration of the Board of Directors				
<i>(Amounts in NOK)</i>				
Name	Position	Salary	Share-based compensation	Total remuneration
Endre Ording Sund	Chairperson	300,000	89,524	389,524
Ellen Merete Hanetho ⁷⁷	Board member	75,000	-	75,000
Einar Christen Lange	Board member (resigned)	187,500	89,524	277,024
Claes Nygren	Board member (resigned)	112,500	89,524	202,024
John Arne Ulvan	Board member	187,500	201,430	388,930
Monika Inde Zsak	Board member	187,500	201,430	388,930
Wayne Gordon Thomson	Board member	187,500	727,067	914,567
Wendy Lam	Board member (resigned)	75,000	-	75,000

11.6.2 Remuneration of the Management

The table below sets forth the amount of remuneration paid by the Company to the Management for the financial year ended 31 December 2023. It should also be noted that the Management participates in the share incentive program described in Section 11.7.1 “Share incentive program for Management and employees of the Company” below.

Overview of remuneration of the Management							
<i>(Amounts in NOK)</i>							
Name	Position	Salary	Bonuses	Paid pension premium	Other benefit	Share-based compensation	Total remuneration
Jan Kielland	CEO (resigned)	1,739,306	844,040	167,229	6,807	908,287	3,665,669
Ingar Bergh	CFO	1,414,349	730,730	158,865	13,778	801,430	3,119,152
Tone Bekkestad	CMO	1,105,409	406,989	123,813	10,797	630,458	2,277,466
Cato Christiansen	CTO	1,283,950	-	162,010	10,340	1,045,448	2,501,846
Johan Jungholm	CCO	1,291,108	469,927	164,463	20,489	330,622	2,276,609
Philipp Staggat	CPO	1,113,840	685,875	124,564	9,598	273,122	2,206,999

11.7 Share incentive programs

The Company has implemented one share incentive program available for the Management and employees of the Company and one for the Board Members. The frame of the share incentive programs has been adopted by the General Meeting. The share incentive programs are intended to align the long-term interests of the employees, the Management and the Board Members with those of the shareholders by encouraging ownership and a focus on sustainable business performance.

On 30 June 2021, the General Meeting approved the incentive programs with a volume of up to 5,000,000 Shares. The incentive programs had its first effective date 1 July 2021. On 8 May 2024 the General Meeting approved to expand the frame of the incentive programs to a volume of up to 5,850,000 Shares.

11.7.1 Share incentive program for Management and employees of the Company

The share incentive program for the Management and employees of the Company gives the right to acquire one Share per issued option. The strike price and other subscription terms shall be determined by the Board of Directors, in line with these guidelines:

⁷⁷ For practical reasons cost of share-based compensation is accounted in intervals. Cost related to allocation of options to Ellen Merete Hanetho and Wendy Lam booked from 01.01.2024. Furthermore, options to Wendy Lam (as board member) were revoked in connection with new option package issued to Wendy Lam as the Company’s CEO.

- Strike price shall be based on the share price at the time of issuance of the options, in accordance with customary valuation principles.
- Vesting shall be over a period of three years with 25% vested year 1, 25% vested year 2 and 50% vested year 3.

As of the date of this Prospectus, 4,548,000 share options have been issued to selected employees of the Company and the Management, of which 1,587,500 are vested.

11.7.2 Share incentive program for the Board Members

The share incentive program for the Board Members implies an authorisation for the Board of Directors to issue up to 1,087,500 options, whereby one option shall entitle the right to acquire one Share. The strike price shall be NOK 10 and vesting shall occur over a period of three years with 1/3 each year. Strike price for participants joining the program in the future will be adjusted to the share price at the time of issuing. As of the date of this Prospectus, all 1,087,500 share options have been issued to the Board Members, of which 608,333 are vested.

11.8 Pension and retirement benefits

The Company has established a pension scheme for its employees and Management that meets the requirements set out in the Norwegian Mandatory Occupational Pension Act. The Group has no pension or retirement benefits for Board Members.

For the year ended 31 December 2023, the paid pension premium for members of the Management employed in the Group was NOK 900,944. For more information on paid pension premium for the Management, see Section 11.6.2 "*Remuneration of the Management*".

The Company is legally obliged to have occupational pension arrangements under the Norwegian Mandatory Occupational Pension Act. The Norwegian pension arrangements satisfy the requirements of this act. This arrangement is a defined contribution plan. A summary of pension cost in the Company is included in the table below.

Summary of pension cost in the Group			
<i>(Amounts in NOK)</i>	2023	2022	2021
Defined contribution pension plan	1,833,660	1,053,642	490,408

A summary of pension related assets and liabilities is shown in the table below.

Summary of pension cost in the Group			
<i>(Amounts in NOK)</i>	2023	2022	2021
Pension liabilities	-	-	-

11.9 Benefits upon termination

Wendy Lam, the Company's CEO is entitled to severance payment equal to 12 months pay in the event her employment is terminated without cause and with immediate effect.

Except for the above, no employees or members of the Management have entered into employment agreements which provide for any special benefits upon termination. None of the Board Members will be entitled to any benefits upon termination of office.

11.10 Corporate governance

The Company's corporate governance follows Norwegian law and the Norwegian Code of Practice for Corporate Governance established by the Norwegian Committee for Corporate Governance (NUES). There will be no significant deviations between the recommendation and Company's practices on the day of admission to trading. The Company would however like to make the following comments:

As mentioned in Section 11.7.2 "*Share incentive program for the Board Members*", the Company has implemented a long-term incentive program for Board Members, approved by the General Meeting. As of today, all 1,087,500 share options within the approved frame have been issued to the Board Members, of which 608,333 are vested. This deviates from the NUES recommendation. The Company has experienced a significant growth and commercial interest during the previous three years and the incentive program has been instrumental in recruiting a strong and competent board of directors. Going forward, the Company will assess its compensation program.

11.11 Employees

As of the date of this Prospectus, the Company has 24 full-time employees. The table below sets out the development in the average number of employees for the years ended 31 December 2023, 2022, and 2021:

Average number of employees			
	2023	2022	2021
Employees	21	11	7

11.12 Committees

11.12.1 Nomination committee

The Company's Articles of Association provide for a nomination committee elected by the General Meeting. The Company's nomination committee consists of Jan Kielland (committee chair) and Jon Erling Tenvik (committee member). The members of the nomination committee are appointed for a period of two years.

The nomination committee shall present proposals to the General Meeting regarding election of the chairperson of the Board of Directors, Board Members and any deputy members of the Board of Directors and election of members of the nomination committee.

The nomination committee shall also present proposals to the General Meeting for remuneration of the Board of Directors and the nomination committee.

11.12.2 Audit committee

The Board of Directors has appointed an audit committee. The appointed members of the audit committee are Ellen Merete Hanetho (committee chair) and Monika Inde Zsak (committee member). The composition of the audit committee meets the requirements for qualifications and competence in accounting and auditing under the Norwegian Public Companies Act.

The audit committee's role is to prepare matters for consideration by the Board of Directors and to assist the Board of Directors in fulfilling its management and oversight responsibilities with respect to financial reporting, auditing and internal control.

11.12.3 Remuneration committee

The Board of Directors has established a remuneration committee. The appointed members of the remuneration committee are Endre Ording Sund (committee chair), John Arne Ulvan (committee member) and Wayne Gordon Thomson (committee member).

The purpose of the remuneration committee is to evaluate and propose the compensation of the Company's executive management team and issue an annual report on the compensation of the executive management team, which shall be included in the Company's annual accounts pursuant to applicable rules and regulations, including accounting standards, promulgated from time to time. The remuneration committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12 RELATED PARTY TRANSACTIONS

12.1 Overview

The table below sets out the impact of the Company's related party transactions in accordance with IAS 24 Related party disclosures, on the statement of profit or loss and financial position for the periods covered by the Financial Information. Beside the transactions and balances as set out in the following tables, there have been no transactions with related parties. In July 2021, the Company entered into a consultancy agreement with Melberg Partners AS ("MP"). Subsequently the agreement was extended to 2022. Endre O. Sund, the chairperson of the Board of Directors is also a shareholder and the chairperson of the board of directors of MP. MP has provided management consulting services based on an hourly rate and hours incurred. The agreement with MP expired in 2022.

<i>(Amounts in NOK)</i>		Type of service	Three-month period ended/ as of 31 March		Year ended/ as of 31 December		
Related party	Relationship		2024	2023	2023	2022	2021
Profit or loss items							
Other operating expenses							
Melberg Partners AS	Endre O. Sund is chairperson of the Board of Directors of the Company and of the board of directors of Melberg Partners AS	Professional services	-	-	-	2,105,925	864,802
Balance sheet items							
Trade creditors							
Melberg Partners AS	Endre O. Sund is chairperson of the Board of Directors of the Company and of the board of directors of Melberg Partners AS	Professional services	-	-	-	-	188,906

13 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARES

This Section includes a summary of certain information relating to the Shares and certain shareholder matters, including summaries of certain provisions of applicable law in effect as of the date of this Prospectus. The mentioned summaries do not purport to be complete and are qualified in their entirety by the Articles of Association and Norwegian law.

13.1 Company corporate information

The Company's registered legal name is Capsol Technologies ASA and the Company's commercial name is Capsol Technologies. The Company is a public limited liability company organised and existing under the laws of Norway and in accordance with the Norwegian Public Companies Act. The Company is registered in the Norwegian Register of Business Enterprises with business registration number 914 620 457. The Company's Legal Entity Identifier (LEI) is 549300WYBNH1T16J8V12.

The Company was incorporated on 8 December 2014 as a private limited liability company and transformed to a public limited liability company following the extraordinary General Meeting held on 27 September 2023.

The Shares are registered in book-entry form with VPS under the ISIN NO 0010923121. The Company's register of shareholders in VPS is administrated by DNB Bank ASA with registered business address Dronning Eufemias gate 30, 0191 Oslo, Norway (the "VPS Registrar")

The Company's registered business address and principal place of business is Drammensveien 126, 0277 Oslo, Norway. The telephone number to the Company's principal office is +47 466 71 873 and the Company's email address is info@capsoltechnologies.com. The Company's main website is www.capsoltechnologies.com. The content of the Company's website is not incorporated by reference into, nor otherwise forms part of, this Prospectus.

13.2 Legal structure

As of the date of this Prospectus, the Group's operations are in full carried out by the Company. The Company is the parent company of Capsol-EoP AS, Capsol Engineering AB and Capsol Technologies LLC. However, as of the date of this Prospectus there are no activities or employees in either of the subsidiaries. The Company has no other ownership interests.

The following table sets out brief information about the Company's subsidiaries at the date of this Prospectus:

Subsidiary	Country of incorporation	Activity	Ownership interests
Capsol-EoP AS	Norway	Holder of the Core Patent, otherwise no other activity.	100%
Capsol Engineering AB	Sweden	No activity.	100%
Capsol Technologies LLC	USA	Currently no activity. Established for the purpose of setting up a market presence and sales function in North America.	100%

13.3 Share capital and share capital history

As of the date of this Prospectus, the Company's registered share capital is NOK 30,269,334.50 divided into 60,538,669 Shares, each with a par value of NOK 0.5. All the Shares are validly issued, fully paid and non-assessable. The Shares will be traded in NOK on Oslo Stock Exchange.

The table below shows the development in the Company's share capital for the period covered by the historical financial information (i.e from 1 January 2021) and up to the date of this Prospectus:

Date of registration	Type of change	Change in share capital (NOK)	New share capital (NOK)	Nominal value (NOK)	New number of total issued shares	Subscription price (NOK/share)
12 January 2021	Debt conversion	6,740,925.00	23,229,037.00	1.00	23,229,037	1.00
29 January 2021	Private placement	7,739,938.00	30,968,975.00	1.00	30,968,975	3.23
26 March 2021	Option exercise	2,946,130.00	35,032,927.00	1.00	35,032,927	3.23
	Option exercise	1,117,822.00				4.04
7 June 2021	Option exercise	618,812.00	35,651,739.00	1.00	35,651,739	1.00
11 November 2021	Private placement	3,636,363.00	39,288,102.00	1.00	39,288,102	11.00
11 November 2021	Option exercise	618,812.00	39,906,914.00	1.00	39,906,914	4.04
26 November 2021	Option exercise	1,843,189.00	44,090,077.00	1.00	44,090,077	3.23
	Option exercise	2,339,974				4.04
26 November 2021	Warrant exercise	5,000,000	49,090,077.00	1.00	49,090,077	1.00
17 December 2021	Option exercise	1,492,699	50,582,776.00	1.00	50,582,776	4.04
24 August 2022	Option exercise	2,950,619	53,533,395.00	1.00	53,533,395	3.23
10 October 2023	Share capital reduction	26,766,697.50	26,766,697.50	0.5	53,533,395	-
18 February 2024	Private placement	3,502,637	30,269,334.50	0.5	60,538,669	12.60

Other than as set out above, there have been no changes to the Company's share capital or the number of Shares from the start of the period covered by the historical financial information up to the date of this Prospectus.

13.4 Admission to trading

The Shares have been admitted to trading on Euronext Growth Oslo, a multilateral trading facility operated by Oslo Stock Exchange since 20 December 2021 under the ticker code "CAPSL" with ISIN NO0010923121. On 22 April 2024 the Company applied for the Shares to be admitted to trading and Listing on Oslo Stock Exchange. The Company's listing application was approved by Oslo Stock Exchange on 24 May 2024. Upon Listing, the Shares will be deregistered from Euronext Growth Oslo and will be admitted to trading through

the facilities of Oslo Stock Exchange. Trading in the Shares on Oslo Stock Exchange is expected to commence on or about 19 June 2024, under the ticker code "CAPSL". Other than above, the Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market.

13.5 Ownership structure

As of the date of this Prospectus, the Company has a total of approximately 718 shareholders in VPS. An overview of shareholders holding 5% or more of the Shares as of the date of this Prospectus is set out below:

#	Shareholder	Number of Shares	Percentage of share capital
1	REDERIAKTIESELSKAPET SKRIM	9,546,474	15.77%
2	SEOTO AS	5,172,677	8.54%
3	AQUILA HOLDING INVESTMENT AS	4,033,188	6.66%

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 14.8 "*Disclosure obligations*" for a description of the disclosure obligations pursuant to the Norwegian Securities Trading Act. As of the date of this Prospectus, no shareholder other than those listed above holds 5% or more of the Shares.

There are no differences in voting rights between the shareholders.

The Company is not aware of any persons or entities who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The Articles of Association does not contain any provisions that would have the effect of delaying, deferring or preventing a change of control of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

No particular measures are initiated to ensure that control is not abused by large shareholders. Minority shareholders are protected from abuse by relevant regulations in inter alia the Norwegian Public Companies Act and the Norwegian Securities Act. See Section 13.13 "*Certain aspects of Norwegian corporate law*" and 14.11 "*Compulsory acquisition*" for further information.

13.6 Financial instruments

As of the date of this Prospectus, the Company has issued an estimated total of 5,635,500 non-exercised options corresponding to a total of 5,635,500 Shares in the Company if exercised. All of the non-exercised options are related to the share incentive programs described in Section 11.7 "*Share incentive programs*" above.

Other than the above, the Company has not issued any options, warrants, or loans giving the right to require the Company to issue Shares, nor any subordinated debt or transferable securities issued by the Company.

13.7 Lock-up arrangements

In connection with the Private Placement, members of the Board of Directors and the Management holding Shares in the Company, in addition to the Company's largest shareholder Rederiaktieselskapet Skrim (with

approximately 15.8% of the Shares currently outstanding), have agreed to a six-month lock-up period on customary terms, starting from 11 February 2024. Pursuant to the lock-up undertaking said shareholders undertake not to, without the prior written consent of each of the Managers, directly or indirectly (1) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, pledge or otherwise transfer or dispose of or agree to dispose of, directly or indirectly, any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, whether any such transaction described in (1) or (2) above is to be settled by delivery of Shares or such other securities, in cash or otherwise, (3) market or otherwise seeking investor interest for its Shares, or conducting any bookbuilding exercises for any sale of its Shares or (4) agree or publicly announce an intention to effect any transaction specified in (1), (2) or (3) above.

This lock-up undertaking does not apply to (A) any transfer of Shares to any entity directly or indirectly controlled by the relevant shareholder who (i) assume the same lock-up obligations as undertaken by the shareholder and (ii) remain wholly owned or under the direct or indirect control by the shareholder for the remaining part of the period set out above, (B) the acceptance (including pre-acceptance) of a tender or takeover offer to acquire all Shares in the Company, or (C) voting in favour of and exchanging shares in a statutory merger in which the Company is a merging party.

The Managers may, jointly and in their sole discretion, waive the foregoing lockup undertakings.

13.8 Authorisations to increase the share capital

On 8 May 2024, the General Meeting granted the Board of Directors an authorisation to increase the share capital with NOK 15,000,000, of which NOK 15,000,000 remains. The authorization may be used in connection with capital raisings to finance the Company's operations, to strengthen the Company's equity and secure a sound liquidity, in connection with share-based compensation programs as well as to achieve strategic and commercial goals. For more information on the share-based compensation programs, see 11.7 "*Share incentive programs*". The authorisation is valid until the next ordinary general meeting in the Company, or no later than 30 June 2025.

13.9 Treasury shares and authorisation to acquire treasury shares

As of the date of this Prospectus, the Board of Directors does not hold any treasury shares or any authorisations to acquire treasury shares (i.e Shares that are held by or on behalf of the Company).

13.10 Shareholder rights

The Company has one class of shares in issue and all Shares provide equal rights in the Company, including the rights to any dividends. Each of the Shares carries one vote. The rights attached to the Shares are further described in Section 13.12 "*The Articles of Association*" and Section 13.13 "*Certain aspects of Norwegian corporate law*".

13.11 Transferability of the Shares

The Shares are freely transferable pursuant to the Articles of Association, meaning that a transfer of the Shares is not subject to the consent of the Board of Directors or rights of first refusal. Pursuant to the Articles of Association, the Shares shall be registered in VPS. For more information, see Section 13.12 "*The Articles of Association*" and Section 13.13 "*Certain aspects of Norwegian corporate law*".

13.12 The Articles of Association

The Articles of Association are enclosed in Appendix A to this Prospectus. Below is a summary of provisions of the Articles of Association last updated on 16 February 2024.

13.12.1 Company name

Pursuant to clause 1 of the Articles of Association, the Company's name is Capsol Technologies ASA. The company is a public limited liability company.

13.12.2 Objective of the company

Pursuant to clause 3 of the Articles of Association, the Company's objective is to carry out industry and technology development, investment business, as well as to provide consultancy services.

13.12.3 Share capital and par value

Pursuant to clause 4 of the Articles of Association, the Company's share capital is NOK 30,269,344.50 divided into 60,538,669 Shares, each with a nominal value of NOK 0.5.

13.12.4 Restrictions on transfer of Shares

The Articles of Association does not provide any restrictions on transfer of Shares in the Company and clause 5 states that the Shares are freely transferable. The transfer of Shares is not subject to the consent of the Board of Directors or rights of first refusal.

13.12.5 The Board of Directors

Pursuant to clause 6 of the Articles of Association, the Board of Directors shall consist of between three and nine Board Members.

13.12.6 Signatory right

Pursuant to clause 6 of the Articles of Association, the signatory right lies with two Board Members acting jointly.

13.12.7 Notice of the general meeting

Pursuant to clause 7 of the Articles of Association, the Company's general meetings are convened by written notice to all shareholders with a known address. Notice shall be sent no later than 21 days before the meeting is to be held. Documents for the general meeting.

13.12.8 Documents in connection with the general meeting

Pursuant to clause 7 of the Articles of Association, when documents pertaining to matters which shall be handled at a general meeting have been made available for the shareholders on the Company's website, the statutory requirement that the documents shall be distributed to the shareholders, does not apply. This is also applicable to documents which according to statutory law shall be included in or attached to the notice of the General Meeting. A shareholder may nonetheless demand to be sent such documents.

13.12.9 Participation at the general meeting

Pursuant to clause 7 of the Articles of Association, The Board of Directors may decide that the shareholders may cast their vote in writing, including electronically, during a period prior to the General Meeting. For such voting an adequate method for authenticating the sender shall be applied.

Shareholders or their proxy holders that wish to participate in the General Meeting shall notify the Company of participation within two (2) business days of the General Meeting.

13.12.10 General meetings

Pursuant to clause 8 of the Articles of Association, the Company's ordinary general meeting shall consider and decide the following matters:

- approval of the annual accounts and the annual report, including distribution of dividends;
- election of the Board of Directors and determine the remuneration of the Board Members;
- approval of Auditor's fee; and
- other matters which, according to law, pertain to the General Meeting.

13.12.11 Nomination committee

Pursuant to clause 9 of the Articles of Association, the Company shall have a nomination committee. The nomination committee shall consist of a minimum of two members appointed by the General Meeting for a period of up to two years. The nomination committee shall have a composition such that broad shareholder interests are represented.

13.13 Certain aspects of Norwegian corporate law

13.13.1 General meeting of shareholders

Through the general meeting, shareholders exercise supreme authority in a Norwegian company. In accordance with Norwegian law, the annual general meeting of shareholders is required to be held on or prior to 30 June of each year. Norwegian law requires that written notice of annual general meetings setting forth the time of, the venue for and the agenda of the meeting be sent to all shareholders with a known address no later than 21 days before the annual general meeting of a Norwegian public limited liability company listed on a stock exchange or a regulated market shall be held, unless the articles of association stipulate a longer deadline, which is not currently the case for the Company.

A shareholder may vote at the general meeting either in person or by proxy appointed at their own discretion. All of the Company's shareholders who are registered in the register of shareholders maintained with VPS as of the date of the general meeting, or who have otherwise reported and documented ownership to shares, are entitled to participate at general meetings.

Apart from the annual general meeting, extraordinary general meetings may be held if the board of directors considers it necessary. An extraordinary general meeting must also be convened if, in order to discuss a specified matter, the auditor or shareholders representing at least 5% of the share capital demands this in writing. The requirements for notice and admission to the annual general meeting also apply to extraordinary general meetings. However, the annual general meeting of a Norwegian public limited liability company may with a majority of at least two-thirds of the aggregate number of votes cast, as well as at least two-thirds of the share capital represented at a general meeting resolve that extraordinary general meetings may be convened with a 14 days' notice period until the next annual general meeting, provided that the company has procedures in place allowing shareholders to vote electronically. This has currently not been resolved by the general meeting.

Each of the shares carries one vote. In general, decisions that shareholders are entitled to make under Norwegian law or the articles of association may be made by a simple majority of the votes cast. In the case of elections or appointments, the person(s) who receive(s) the greatest number of votes cast are elected.

However, as required under Norwegian law, certain decisions, including resolutions to waive preferential rights to subscribe in connection with any share issue in the company, to approve a merger or demerger of the company, to amend the articles of association, to authorise an increase or reduction in the share capital, to authorise an issuance of convertible loans or warrants by the company or to authorise the board of directors to purchase shares and hold them as treasury shares or to dissolve the company, must receive the approval of at least two-thirds of the aggregate number of votes cast as well as at least two-thirds of the share capital represented at a general meeting. Norwegian law further requires that certain decisions, which have the effect of substantially altering the rights and preferences of any shares or class of shares, receive the approval by the holders of such shares or class of shares as well as the majority required for amending the articles of association.

Decisions that (i) would reduce the rights of some or all of the company's shareholders in respect of dividend payments or other rights to assets or (ii) restrict the transferability of the shares, require that at least 90% of the share capital represented at the general meeting in question vote in favour of the resolution, as well as the majority required for amending the articles of association.

In general, only a shareholder registered in VPS is entitled to vote for such shares. Beneficial owners of the shares that are registered in the name of a nominee are generally not entitled to vote under Norwegian law, nor is any person who is designated in VPS register as the holder of such shares as nominees. Investors should note that there are varying opinions as to the interpretation of the right to vote on nominee registered shares. In the Company's view, a nominee may not meet or vote for shares registered on a nominee account ("**NOM-account**"). A shareholder must, in order to be eligible to register, meet and vote for such shares at the general meeting, transfer the shares from such NOM-account to an account in the shareholder's name. Such registration must appear from a transcript from VPS at the latest at the date of the general meeting.

There are no quorum requirements that apply to the general meetings.

13.13.2 Additional issuances and preferential rights

If the Company issues any new Shares, including bonus share issues, the Articles of Association must be amended, which requires the same vote as other amendments to the Articles of Association. In addition, under Norwegian law, the Company's shareholders have a preferential right to subscribe for new Shares issued by the Company. Preferential rights may be derogated from by resolution in a general meeting passed by the same vote required to amend the Articles of Association. A derogation of the shareholders' preferential rights in respect of bonus issues requires the approval of all outstanding shares.

The General Meeting may, by the same vote as is required for amending the Articles of Association, authorise the Board of Directors to issue new Shares, and to derogate from the preferential rights of shareholders in connection with such issuances. Such authorisation may be effective for a maximum of two years, and the nominal value of the Shares to be issued may not exceed 50% of the registered nominal share capital when the authorisation is registered with the Norwegian Register of Business Enterprises.

Under Norwegian law, the Company may increase its share capital by a bonus share issue, subject to approval by the company's shareholders, by transfer from the Company's distributable equity or from the Company's share premium reserve and thus the share capital increase does not require any payment of a subscription price by the shareholders. Any bonus issues may be affected either by issuing new shares to

the Company's existing shareholders or by increasing the nominal value of the Company's outstanding Shares.

Issuance of new Shares to shareholders who are citizens or residents of the United States upon the exercise of preferential rights may require the Company to file a registration statement in the United States under United States securities laws. Should the Company in such a situation decide not to file a registration statement, the Company's U.S. shareholders may not be able to exercise their preferential rights. If a U.S. shareholder is ineligible to participate in a rights offering, such shareholder would not receive the rights at all and the rights would be sold on the shareholder's behalf by the company.

13.13.3 Minority rights

Norwegian law sets forth a number of protections for minority shareholders of the Company, including but not limited to those described in this paragraph and the description of general meetings as set out above. Any of the Company's shareholders may petition Norwegian courts to have a decision of the Board of Directors or the Company's shareholders made at the General Meeting declared invalid on the grounds that it unreasonably favours certain shareholders or third parties to the detriment of other shareholders or the Company itself. The Company's shareholders may also petition the courts to dissolve the Company as a result of such decisions to the extent particularly strong reasons are considered by the court to make necessary dissolution of the Company.

Minority shareholders holding 5% or more of the Company's share capital have a right to demand in writing that the Board of Directors convene an extraordinary General Meeting to discuss or resolve specific matters. In addition, any of the Company's shareholders may in writing demand that the Company place an item on the agenda for any general meeting as long as the Company is notified in time for such item to be included in the notice of the meeting. If the notice has been issued when such a written demand is presented, a renewed notice must be issued if the deadline for issuing notice of the general meeting has not expired.

13.13.4 Rights of redemption and repurchase of Shares

The share capital of the Company may be reduced by reducing the nominal value of the Shares or by cancelling Shares. Such a decision requires the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at a general meeting. Redemption of individual shares requires the consent of the holders of the shares to be redeemed.

The Company may purchase its own Shares provided that the Board of Directors has been granted an authorisation to do so by the General Meeting with the approval of at least two-thirds of the aggregate number of votes cast and at least two-thirds of the share capital represented at the meeting. The aggregate nominal value of treasury shares so acquired and held by the Company must not exceed 10% of the Company's share capital, and treasury shares may only be acquired if the Company's distributable equity, according to the latest adopted balance sheet, exceeds the consideration to be paid for the shares. The authorisation by the General Meeting cannot be granted for a period exceeding 24 months.

13.13.5 Shareholder vote on certain reorganisations

A decision of the Company's shareholders to merge with another company or to demerge requires a resolution by the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the general meeting. A merger plan, or demerger plan signed by the board of directors along with certain other required documentation, would have to be sent to all of the Company's shareholders at least one month prior to the general meeting resolving on the matter.

13.13.6 Liability of board members

The Board Members owe a fiduciary duty to the Company and its shareholders. Such fiduciary duty requires that the Board Members act in the best interests of the Company when exercising their functions and exercise a general duty of loyalty and care towards the company. Their principal task is to safeguard the interests of the Company.

The Board Members may each be held liable for any damage they negligently or wilfully cause the Company. Norwegian law permits the General Meeting to discharge any such person from liability, but such discharge is not binding on the Company if substantially correct and complete information was not provided at the General Meeting passing upon the matter. If a resolution to discharge the Board Members from liability or not to pursue claims against such a person has been passed by a general meeting with a smaller majority than that required to amend the articles of association, shareholders representing more than 10% of the share capital or, if there are more than 100 shareholders, more than 10% of the shareholders may pursue the claim on the Company's behalf and in its name. The cost of any such action is not the Company's responsibility but can be recovered from any proceeds the Company receives as a result of the action. If the decision to discharge any of the Board Members from liability or not to pursue claims against the Board Members is made by such a majority as is necessary to amend the articles of association, the minority shareholders of the Company cannot pursue such claim in the Company's name.

13.13.7 Civil proceedings against the company in jurisdictions other than Norway

Furthermore, investors shall note that they may be unable to recover losses in civil proceedings in jurisdictions other than Norway. The Company is a public limited liability company organised under the laws of Norway. Most of the Board Members and the members of the Management reside in Norway. As a result, it may not be possible for investors to effect service of process in other jurisdictions upon such persons or the Company, to enforce against such persons or the Company judgments obtained in courts outside of Norway, or to enforce judgments on such persons or the Company in other jurisdictions.

13.13.8 Indemnification of board members

Neither Norwegian law nor the Articles of Association contains any provision concerning indemnification by the Company of the Board of Directors. The Company is permitted to purchase insurance for the Board Members against certain liabilities that they may incur in their capacity as such.

13.13.9 Distribution of asset on liquidation

Under Norwegian law, the Company may be wound-up by a resolution of the Company's shareholders at the General Meeting passed by at least two-thirds of the aggregate votes cast and at least two-thirds of the share capital represented at the meeting. In the event of liquidation, the Shares rank equally in the event of a return on capital.

13.14 Shareholder agreements

As of the date of this Prospectus, the Company is not aware of any shareholders' agreements related to the Shares which will be in force upon the Listing.

14 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

14.1 Introduction

The Oslo Stock Exchange was established in 1819 and offers the only regulated markets for securities trading in Norway. Oslo Børs ASA is wholly owned by Oslo Børs VPS Holding ASA which was acquired by Euronext on 18 June 2019. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

14.2 Market value of shares on the Oslo Stock Exchange

The market value of all shares on Oslo Stock Exchange, including the Shares following the Listing, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective company's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective company or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the company, its products and services or its competitors, lawsuits against the Company, unforeseen liabilities, changes in management, changes to the regulatory environment in which the Company operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any company, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the companies on the Oslo Stock Exchange will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect share price.

14.3 Trading and settlement

As of the date of this Prospectus, trading of equities on the Oslo Stock Exchange is carried out in the electronic trading system Euronext Optiq[®], Euronext's in-housed developed multi-market trading platform.

Official regular trading for equities on the Oslo Stock Exchange takes place between 09:00 hours (Oslo time) and 16:20 hours (Oslo time) each trading day, with pre-trade period between 07:15 hours (Oslo time) and 09:00 hours (Oslo time), closing auction from 16:20 hours (Oslo time) to 16:25 hours (Oslo time) and a post-trade period from 16:25 hours (Oslo time) to 16:30 hours (Oslo time). Reporting of after exchange trades can be done until 18:00 hours (Oslo time).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two days after the transaction, and that the seller will receive payment after two days.

The Oslo Stock Exchange offers an interoperability model for clearing and counterparty services for equity trading through LCH Limited, EuroCCP and Six X-Clear.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an European Economic Area (The “EEA”) member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

14.4 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e. precise information about financial instruments, the company thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. the Oslo Stock Exchange may levy fines on companies violating these requirements.

14.5 VPS and transfer of shares

The Company's principal share register is operated through VPS. VPS is the Norwegian paperless centralised securities register. It is a computerised book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. VPS and Oslo Børs ASA are both wholly-owned by Euronext Nordics Holding AS.

All transactions relating to securities registered with VPS are made through computerised book entries. No physical share certificates are, or may be, issued. VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual

shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being the Central Bank of Norway), authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is prima facie evidence in determining the legal rights of parties as against the issuing company or any third party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the company's articles of association or otherwise.

VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS's control which VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

14.6 Shareholder register

Under Norwegian law, shares are registered in the name of the beneficial owner of the shares. Beneficial owners of shares that are registered in a NOM-account (such as through brokers, dealers or other third parties) may not be able to vote for such shares unless their ownership is re-registered in their names with VPS prior to any general meeting of shareholders. As a general rule, there are no arrangements for nominee registration and Norwegian shareholders are not allowed to register their shares in VPS through a nominee. However, foreign shareholders may register their shares in VPS in the name of a nominee (bank or other nominee) approved by the Norwegian FSA.

An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners. There is no assurance that beneficial owners of shares will receive notices of any general meetings in time to instruct their nominees to either effect a re-registration of their shares or otherwise vote for their shares in the manner desired by such beneficial owners.

14.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

Foreign investors are, however, to note that the rights of holders of listed shares of companies incorporated in Norway are governed by Norwegian law and by the respective company's articles of association. These rights may differ from the rights of shareholders in other jurisdictions. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. For instance, under Norwegian law, any action brought by a listed company in respect of wrongful acts

committed against such company will be prioritised over actions brought by shareholders claiming compensation in respect of such acts. In addition, it may be difficult to prevail in a claim against such company under, or to enforce liabilities predicated upon, securities laws in other jurisdictions. For more information, see Section 13.13 "*Certain aspects of Norwegian corporate law*".

14.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the company immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

14.9 Insider trading

According to Norwegian law, subscription for, purchase, sale, exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (i.e. the market abuse regulation) and as implemented into Norwegian law by section 3-1 of the Norwegian Securities Trading Act of 29 June 2007 No. 75. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value is connected to such financial instruments or incitement to such dispositions.

14.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third (or more than 40% or 50%) of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third of the voting rights in the Company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity, or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (or provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered. The settlement must be guaranteed by a financial institution authorised to provide such guarantees in Norway.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends and pre-emption rights in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies if the person, entity, or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity, or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered (provided that the person, entity or consolidated group has not already stated that it will proceed with the making of a mandatory offer).

Any person, entity or consolidated group that has passed any of the above-mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

14.11 Compulsory acquisition

Pursuant to the Norwegian Public Companies Act and the Norwegian Securities Trading Act, a shareholder who, directly or through subsidiaries, acquires shares representing 90% or more of the total number of issued shares in a Norwegian public limited company, as well as 90% or more of the total voting rights, has a right, and each remaining minority shareholder of the company has a right to require such majority shareholder, to effect a compulsory acquisition for cash of the shares not already owned by such majority shareholder. Through such compulsory acquisition the majority shareholder becomes the owner of the remaining shares with immediate effect.

If a shareholder acquires shares representing more than 90% of the total number of issued shares, as well as more than 90% of the total voting rights, through a voluntary offer in accordance with the Securities Trading Act, a compulsory acquisition can, subject to the following conditions, be carried out without such shareholder being obliged to make a mandatory offer: (i) the compulsory acquisition is commenced no later than four weeks after the acquisition of shares through the voluntary offer, (ii) the price offered per share

is equal to or higher than what the offer price would have been in a mandatory offer, and (iii) the settlement is guaranteed by a financial institution authorised to provide such guarantees in Norway.

A majority shareholder who effects a compulsory acquisition is required to offer the minority shareholders a specific price per share, the determination of which is at the discretion of the majority shareholder.

Should any minority shareholder not accept the offered price, such minority shareholder may, within a specified deadline of not less than two months, request that the price be set by a Norwegian court. The cost of such court procedure will, as a general rule, be the responsibility of the majority shareholder, and the relevant court will have full discretion in determining the consideration to be paid to the minority shareholder as a result of the compulsory acquisition. However, where the offeror, after making a mandatory or voluntary offer, has acquired more than 90% of the voting shares of a company and a corresponding proportion of the votes that can be cast at the general meeting, and the offeror pursuant to section 4-25 of the Norwegian Public Companies Act completes a compulsory acquisition of the remaining shares within three months after the expiry of the offer period, it follows from the Norwegian Securities Trading Act that the redemption price shall be determined on the basis of the offer price for the mandatory/voluntary offer unless specific reasons indicate another price.

Absent a request for a Norwegian court to set the price or any other objection to the price being offered, the minority shareholders would be deemed to have accepted the offered price after the expiry of the specified deadline.

14.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

15 THE TERMS OF THE RETAIL OFFERING

15.1 Overview of the Retail Offering

The Retail Offering consists of an offering of up to 2,250,000 Offer Shares, each with a nominal value of NOK 0.5.

The Offer Price to be paid for each Offer Share in the Retail Offering will be set at a 10% discount to the minimum of (i) the volume-weighted average price of the Shares on Euronext Growth Oslo during the Application Period (seven trading days between 28 May 2024 and 5 June 2024 – subject to potential extension), and (ii) the volume-weighted average price of the Shares on Euronext Growth Oslo on the last day of the Application Period (one trading day on 5 June 2024 – subject to potential extension). The final Offer Price will be rounded down to the nearest tenth. The final Offer Price will be announced in connection with the publication of the results of the Retail Offering post close of the Application Period.

If the price of the Shares on Euronext Growth Oslo in the Application Period remains continuously identical to the closing price of the Shares on Euronext Growth Oslo on 23 May 2024, being the last trading day prior to the approval of the Prospectus, the final Offer Price would have been NOK 13.30 per Offer Share (the “**Illustrative Offer Price**”).

Based on the number of Offer Shares and the Illustrative Offer Price, the Retail Offering may raise gross proceeds to the Company of up to approximately NOK 30,000,000. The actual gross proceeds of the Retail Offering will only be determined when the number of final Offer Shares and the final Offer Price have been determined.

The Retail Offering is directed towards the general public in Norway and Sweden.

The lower subscription limit per application is NOK 10,500 and the upper subscription limit per application is NOK 2,000,000 for each investor.

The Application Period for the Retail Offering is expected to take place from 28 May 2024 at 09:00 (CEST) to 5 June 2024 at 16:30 (CEST). The Company, in consultation with the Managers, reserves the right to extend the Application Period at any time and without any prior written notice and at its sole discretion. See Section 15.6 “*Application Period*” for information on extension of the Application Period.

Delivery of the Offer Shares to investors being allocated Offer Shares in the Retail Offering is expected to take place on or about 18 June 2024 subject to timely payment for allocated Offer Shares having been received from investors within 10 June 2024.

The Offer Shares allocated in the Retail Offering is expected to be traded on the Oslo Stock Exchange from 19 June 2024.

Completion of the Retail Offering is subject to the Company satisfying the listing requirements and being approved for listing on the Oslo Stock Exchange, see Section 15.18 “*Conditions for completion of the Retail Offering*”.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any other jurisdiction than Norway and Sweden. For further details, see the "Important Information" at the beginning of the Prospectus and Section 16 "Selling and transfer restrictions".

15.2 Timetable

The timetable set out below provides certain key dates for the Retail Offering (subject to extensions):

Timetable	Key dates
Application Period commences	28 May 2024 at 09:00 CEST
Application Period ends	Expected on 5 June 2024 at 16:30 CEST
Publication of the results of the Retail Offering	On or about 5 June 2024
Notification of allocation in the Retail Offering	On or about 6 June 2024
Payment Date in the Retail Offering	On or about 10 June 2024
Registration of new share capital pertaining to the Retail Offering	On or about 18 June 2024
Delivery of the Offer Shares in the Retail Offering	On or about 19 June 2024
Commencement of trading in the Shares on the Oslo Stock Exchange	On or about 19 June 2024

15.3 Resolution(s) relating to the offering

On 8 May 2024, the General Meeting made the following resolution to authorise the Board of Directors to issue new shares, which will be used in relation to the Retail Offering:

1. *The Company's share capital may be increased in one or more tranches with up to NOK 15,000,000.*
2. *The authorisation may be used in connection with capital raisings to finance the Company's operations, to strengthen the Company's equity and secure a sound liquidity, in connection with share-based compensation programs as well as to achieve strategic and commercial goals.*
3. *The existing shareholders right of first refusal under section 10-4 of the NPCA may be waived.*
4. *The authorisation includes share capital increases by contribution in kind and the right to incur special obligations on behalf of the Company, cf. section 10-2 of the NPCA.*
5. *Cash payments for share consideration shall be made to the Company's account.*
6. *The authorisation does not encompass share capital increase in connection with mergers, cf. section 13-5 of the NPCA.*
7. *The authorisation is valid until the annual general meeting in 2025, or to 30 June 2025 at the latest.*
8. *The board of directors sets the further terms and may resolve amendments to the articles of association made necessary by the capital increase following use of this authorisation.*
9. *Board authorisations to share capital increases that have been granted to the board prior to the date of this resolution are annulled.*

Following expiry of the Application Period on or about 5 June 2024, the Board of Directors will consider and, if thought fit, approve the completion of the Retail Offering and, in consultation with the Managers, determine the final number and allocation of the Offer Shares. If the Board of Directors determine that the Retail Offering shall be completed, the Board of Directors will proceed to increase the share capital of the Company by issuance of the Offer Shares. The Offer Shares are expected to be issued on or about 19 June 2024.

The existing shareholders' pre-emptive rights to subscribe for and be allocated Shares will be deviated from in order to be able to issue the Offer Shares to investors in the Retail Offering and thereby comply with the conditions for Listing for the benefit of the Company and existing shareholders.

15.4 Offer price

The Offer Price to be paid for each Offer Share in the Retail Offering will be set at a 10% discount to the minimum of (i) the volume-weighted average price of the Shares on Euronext Growth Oslo during the Application Period (seven trading days between 28 May 2024 and 5 June 2024 – subject to potential extension), and (ii) the volume-weighted average price of the Shares on Euronext Growth Oslo on the last day of the Application Period (one trading day on 5 June 2024 – subject to potential extension). The final Offer Price will be rounded down to the nearest tenth. The final Offer Price will be announced in connection with the publication of the results of the Retail Offering post close of the Application Period.

15.5 Disparity to Offer Price

As further described in Section 11.7 “Share incentive programs”, a number of the options issued pursuant to the Company’s incentive programs have currently been vested by Board Members and members of the Company’s management and administrative bodies and does therefore give right to subscribe for new Shares with a strike price entailing a disparity to the Offer Price. This includes 1,703,333 options with strike price NOK 10 vested by Board Members and members of Management and administration, as well as 25,000 options with strike price NOK 11.3 and 25,000 options with strike price 11.5 vested by members of the Company’s management. Said options are currently not exercised.

15.6 Application Period

The Application Period in the Retail Offering will begin on 09:00 CEST on 28 May 2024 and end on 16:30 CEST on 5 June 2024, unless extended. The Company may, in consultation with the Managers, extend the Application Period at any time, and an extension may be made on one or several occasions. Any extension of the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 CEST on the first Business Day following the then prevailing expiration date of the Application Period. The Application Period may in no event be extended beyond 16:30 CEST on 14 June 2024. In the event of an extension of the Application Period, the allocation date, the payment due date (including the corresponding latest possible debit date) and the date of delivery of the Offer Shares will be changed accordingly.

Investors applying for Offer Shares electronically through Nordnet Bank AB (“Nordnet”) webservice should note that the application must be submitted no later than 23:59 CEST on 4 June 2024, unless the Application Period is being extended. Further, the Applicants need to ensure that they have sufficient funds on their Nordnet account no later than 23:59 CEST on 4 June 2024.

15.7 Minimum and maximum application

The lowest application amount permitted in the Retail Offering is NOK 10,500. The highest application amount permitted is NOK 2,000,000.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering will be treated as one application with respect to the maximum application limit. If two or more identical application forms are received from the same investor, the application form will only be counted once unless explicitly stated on one of the application forms. In the case of multiple applications through the online application system or applications made both on a physical application form and through the online application system, all applications will be counted.

15.8 Application procedures

15.8.1 General

Application for Offer Shares in the Retail Offering can be submitted through the Managers or through Nordnet acting as a placing agent for the Company in the Retail Offering. Applicants in the Retail Offering who are located in Norway may apply for Offer Shares through either the Managers or the webservices of Nordnet, while applicants who are located in Sweden are only permitted to apply through the webservices of Nordnet. All applications for Offer Shares in the Retail Offering must be made during the Application Period.

By making an application, the applicant irrevocably (i) applies to buy and subscribes for such number of Offer Shares allocated to the applicant up to the number of Offer Shares applied for and (ii) authorises and instructs each of the Managers (or someone appointed by them) to buy and subscribe for such number of Offer Shares at the Offer Price on behalf of the applicant and to take all actions required to ensure delivery of such Offer Shares to the applicant.

All applications in the Retail Offering will be treated in the same manner regardless of which Manager the application is placed with, or if it is placed with Nordnet. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of an application form, through the VPS online application system or electronically through the Nordnet webservice. However, please note the shorter Application Period if the Nordnet webservice is used.

15.8.2 Application through the Managers

Applicants who are located in Norway may apply for Offer Shares through the Managers by submitting a correctly completed application form in the form attached to this Prospectus as Appendix D - Application Form for the Retail Offering (English) to one of the application offices set out below. Applicants who are located in Norway with a Norwegian personal identification number may also apply for Offer Shares through the Managers by using VPS online application system which can be located by following the link on any of the following websites: www.paretosec.com/transactions and www.sb1markets.no/transaksjoner. Applicants will be able to download this Prospectus and the application form once they have confirmed residency in Norway. Applications made through the VPS online subscription system must be duly registered during the Application Period.

Applicants in the Retail Offering who are located in Sweden are only permitted to apply through the webservices of Nordnet, as further detailed below.

Application forms that are incomplete or incorrectly completed, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. Subject to any shortening or extension of the Application Period, properly completed application forms must be received by one of the application offices or registered electronically through the VPS online application system by 16:30 CEST on 5 June 2024. Neither the Company nor any of the Managers may be held responsible for postal delays, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

All applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed application form by the application office, or in the case of applications through the VPS online subscription system, upon registration of the application, irrespective of any extension of the Application Period, and

cannot be withdrawn, cancelled or modified by the applicant after having been received by the application office, or in the case of applications through the VPS online subscription system, upon registration of the application.

The offices at which applications forms for Norwegian residents in the Retail Offering can be submitted, are as follows:

Pareto Securities AS
Dronning Mauds gate 3
P.O. Box 1411 Vika
N-0115 Oslo
Norway
Tel.: +47 22 87 87 00
E-mail: subscription@paretosec.com
www.paretosec.no

SpareBank 1 Markets AS
Olav V's gate 5
P.O. Box 1398 Vika
N-0114 Oslo
Norway
Tel.: +47 24 14 74 00
E-mail: subscription@sb1markets.no
www.sb1markets.no

15.8.3 Application through Nordnet

Applicants located in both Norway and Sweden may apply for Offer Shares through Nordnet. Nordnet undertakes to act as placing agent for the Company in the Retail Offering, and applications may be made electronically through the Nordnet webservice at www.nordnet.no for Norwegian applicants residing in Norway and through www.nordnet.se for Swedish applicants residing in Sweden. Applicants applying for Offer Shares through Nordnet need to expressly state the number of Offer Shares they are applying for in the Retail Offering.

Investors applying for Offer Shares electronically through the Nordnet webservice should also note that the application must be submitted no later than 23:59 CEST on 4 June 2024, unless the Application Period is being extended.

The application office for Nordnet is as set out below. Please note that the application form attached to this Prospectus may not be submitted to Nordnet. Any application forms submitted to Nordnet will be disregarded without further notice to the applicant.

Nordnet Bank
Karl Johans gate 16C
P.O. Box 302 Sentrum
N-0154 Oslo
Norway
Tel.: +47 23 33 30 23
E-mail: kundeservice@nordnet.no
www.nordnet.no

Nordnet Bank AB
Alströmergatan 39
P.O. Box 3000
S-104 25, Stockholm
Sweden
Tel.: +46 10-583 3000
E-mail: kundservice@nordnet.se
www.nordnet.se

Applications made through Nordnet can be amended up to 23:59 CEST on 44 June 2024, unless the Application Period is being extended. All applications received by Nordnet will be irrevocable and binding and cannot be withdrawn, cancelled or modified by the applicant after 23:59 CEST on 44 June 2024.

15.9 Payment and delivery of Offer Shares

SpareBank 1 Markets AS (on behalf of the Managers), acting as settlement agent in the Retail Offering for applicants that applies for Offer Shares through the Managers, expects to publish allocation of Offer Shares

on or about 6 June 2024, by making individual allocation to applicants through the VPS application system. Any such applicant wishing to know the precise number of Offer Shares allocated to it, may contact one of the application offices listed above from 12:00 CEST on 6 June 2024 and onwards during business hours. Such applicants who have access to investor services through an institution that operates the applicant's VPS account should be able to see how many Offer Shares they have been allocated from on or around 12:00 CEST on 6 June 2024.

In completing an application form, or registering an application through the VPS online subscription system, each applicant in the Retail Offering that applies for Offer Shares through the Managers irrevocably authorises SpareBank 1 Markets AS (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. Such applicant's account number must be stipulated on the application form or registered through the VPS online application system. Accounts will be debited on or about 10 June 2024 (the payment due date), and there must be sufficient funds in the stated bank account from and including 7 June 2024. Such applicants who do not have a Norwegian bank account must ensure that payment of the allocated Offer Shares is made on or before the payment due date (10 June 2024).

Should any investor using an application form or applying through the VPS online subscription system have insufficient funds on his or her account, should payment be delayed for any reason or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976, No. 100, which at the date of this Prospectus was 12.5% per annum. SpareBank 1 Markets AS (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 14 June 2024 if there are insufficient funds on the account on the payment due date.

Nordnet, acting as settlement agent in the Retail Offering for applicants that applies for Offer Shares through Nordnet's webservice, will populate information on allocated Offer Shares on its online service platform, which all such applicants in the Retail Offering will be able to access through their Nordnet accounts on or about 6 June 2024. Applicants who apply for Offer Shares in the Retail Offering through Nordnet's webservice, must have available funds on the stated bank account at 23:59 CET on 4 June 2024 and until the Payment Date.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or around 19 June 2024 (or such later date upon the successful debit of the relevant account).

15.10 Mechanism of Allocation

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant provided, however, that all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly.

One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 2,000,000 will be adjusted downwards to an application amount of NOK 2,000,000.

The Company, in consultation with the Managers, reserves the right to limit the total number of applicants to whom Offer Shares are allocated in the Retail Offering if the Company deems this to be necessary in order to keep the number of shareholders in the Company at an appropriate level. If the Company should

decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using an automated simulation procedures and/or other random allocation mechanisms. The Company reserves the right to set a maximum allocation per applicant in the Retail Offering. Notwithstanding the above, the Company and the Managers reserve the right, at their sole discretion, to give preference for existing shareholders and to take into account the creditworthiness of any applicant. The Company and the Managers may also decide to make no allocation to any applicant.

15.11 VPS account and Nordnet Account

Participation in the Retail Offering is conditional upon the subscriber holding a VPS account. The VPS account number must be stated in the application form or when registering an application through the VPS online application system. VPS accounts can be established with authorised VPS registrars, who can be Norwegian banks, authorised securities brokers in Norway and Norwegian branches of credit institutions established within the EEA. However, non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorised by the Norwegian FSA. Establishment of a VPS account requires verification of identification to the VPS registrar in accordance with the Anti-Money Laundering Legislation (as defined below).

For participation in the Retail Offering, applicants in Norway can apply, and applicants in Sweden must apply, for Offer Shares electronically through the Nordnet webservice. In order to apply for Offer Shares through Nordnet, the applicant must register as a customer of Nordnet and establish a nominee/depot account for the Retail Offering, through Nordnet. In order to establish a customer relationship with Nordnet, the applicant should have an online banking ID or a mobile banking ID. If the applicant is unable to establish a customer relationship with Nordnet through his/her online banking ID or mobile banking ID, the customer relationship must be established through a manual application, which is time consuming and may not be processed by Nordnet prior to expiry of the Application Period. For more information on how to proceed to establish a customer relationship with Nordnet, please contact Nordnet.

15.12 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 No. 23 and the Norwegian Money Laundering Act of 14 September 2018 No. 1324, (collectively, the “**Anti-Money Laundering Legislation**”).

Applicants who are not registered as existing customers of one of the Managers must verify their identity to the Manager with which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the application form, or that are registered customers of Nordnet and make their application through Nordnet, or when registering an application through the VPS online application system, are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

15.13 Publication of information related to the Retail Offering

The Company will use the Oslo Stock Exchange’s information system to publish information relating to the Retail Offering, such as amendments to the Application Period (if any) and first day of trading at the Oslo Stock Exchange. The final determination of the number of Offer Shares and the total amount of the Retail Offering is expected to be published on or about 5 June 2024.

15.14 The rights conferred by the Offer Shares

The Offer Shares will in all respects carry full Shareholders' rights in the Company on an equal basis as any other Shares in the Company, including the right to any dividends, from the date of registration of the share capital increase pertaining to the Offering in the Norwegian Register of Business Enterprises, see Section 15.2 "Timetable".

For a description of the rights attached to the Shares in the Company, see Section 13 "Corporate information and description of the shares".

15.15 VPS registration

Norwegian VPS is administrated by DNB Bank ASA, Dronning Eufemias gate 30, N-0191 Oslo, Norway.

15.16 National Client Identifier and Legal Entity Identifier

In order to participate in the Offering, applicants will need a global identification code. Physical persons will need a National Client Identifier ("NCI") and legal entities will need a so-called Legal Entity Identifier ("LEI"). Investors who do not already have an NCI or LEI, as applicable, must obtain such codes in time for the application in order to participate in the Offering.

15.16.1 NCI code for physical persons

Physical persons need a NCI code to participate in a financial market transaction. For physical persons with only a Norwegian citizenship, the NCI code is the 11-digit personal ID (Norwegian: *Fødselsnummer*). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

15.16.2 LEI code for legal entities

Legal entities need a LEI code to participate in a financial market transaction. A LEI code must be obtained from an authorised LEI issuer, which can take some time. Investors should obtain a LEI code in time for the application. For more information visit www.gleif.org.

15.17 Reasons for the Listing and the Retail Offering

The Listing is expected to lead to an enhanced profile with investors, business partners, suppliers and customers. The Company's main objectives with the Listing are:

- improve the Company's profile towards investors, banks, business partners, suppliers and customers;
- maintain and develop a strong and supportive shareholder base;
- improve the Company's access to equity capital to enable the Company to develop and respond to attractive opportunities;
- enhance the access to the capital markets to finance the scaling-up of the Group's business in new markets;
- support fair valuation of the Shares; and
- further improve the ability of the Group to attract and retain key management and employees.

The Retail Offering is conducted in order for the Company to increase its number of shareholders. The net proceeds raised in the Retail Offering will be used for general corporate purposes.

15.18 Conditions for completion of the Retail Offering

On 22 April 2024, the Company applied for Listing of its Shares on Oslo Stock Exchange. Approval of the listing application is i.a. conditional upon obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000. The Company expects that this will be fulfilled through the Retail Offering.

Completion of the Retail Offering, on the terms set forth in this Prospectus, is conditional upon satisfaction of all listing requirements and final approval by the Oslo Stock Exchange of the listing application.

Completion of the Retail Offering on the terms set forth in this Prospectus is otherwise conditional upon the Board of Directors having resolved to issue the Offer Shares in the Retail Offering. There can be no assurance that this will be satisfied. If this is not satisfied, the Retail Offering may be revoked or suspended.

If the Retail Offering is revoked or suspended, resulting in all applications for Offer Shares being disregarded, any allocations made cancelled, and any payments made being returned without any interest or any other compensation to the applicants.

Prior to the Listing and the Retail Offering, the Shares have been publicly traded on Euronext Growth Oslo, a multilateral trading facility operated by Euronext. No application has been filed for listing on any stock exchanges or regulated marketplaces other than Oslo Stock Exchange.

15.19 Participation of major existing Shareholders and members of the Company's Management, supervisory and administrative bodies in the Retail Offering

None of the members of the Board of Directors and Management have indicated an intention to apply for Offer Shares and are expected to consider any possible applications during the Application Period.

The Company is not aware of whether any major Shareholders of the Company or members of the Management, supervisory or administrative bodies intend to apply for Offer Shares in the Retail Offering, or whether any person intends to apply for more than 5% of the Offer Shares.

15.20 Expenses related to the Retail Offering and Listing

The Company estimates that expenses in connection with the Retail Offering and the Listing, which will be paid by the Company, will amount to approximately NOK 7,000,000.

No expenses or taxes will be charged by the Company or the Managers to the applicants in the Retail Offering.

15.21 Lock-up

The Offer Shares will not be subject to lock-up restrictions.

15.22 Interests of natural and legal persons involved in the Retail Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, investment and commercial banking services to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a brokerage fee and a

management fee in connection with the Retail Offering and Listing and, as such, have an interest in the Retail Offering.

Except as set out above, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Retail Offering.

15.23 Product governance

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (the MiFID II Product Governance Requirements), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional customers and eligible counterparties, each as defined in MiFID II (the Positive Target Market); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the Appropriate Channels for Distribution).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Retail Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional customers and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

Investors should, however, note that the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, it is the assessment of the manufacturers that an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile (the Negative Target Market, and, together with the Positive Target Market, the Target Market Assessment).

15.24 Dilution

The issuance of the Offer Shares in the Retail Offering may result in a maximum number of Shares in the Company of 62,788,669, which will correspond to a dilution for the existing shareholders of approximately 3.58%. This is based on the assumption that the Company issues the maximum number of Offer Shares at the Illustrative Offer Price, and that none of the existing Shareholders subscribes for any Offer Shares in the Retail Offering.

The net asset value per existing Share as of 31 March 2024 was NOK 1.82, calculated as total equity (NOK 110,092,589) as of 31 March 2024 divided by the number of outstanding Shares (60,538,669) as per 31 March 2024.

15.25 Governing Law and Jurisdiction

The Retail Offering is governed by Norwegian law. Any dispute arising out of, or in connection with, this Prospectus or the Retail Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with Oslo as legal venue.

16 SELLING AND TRANSFER RESTRICTIONS

16.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares offered hereby.

Other than in Norway and Sweden, the Company is not taking any action to permit a public offering of the Offer Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway and Sweden, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Offer Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Offer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

16.2 Selling restrictions

16.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold, directly or indirectly, or otherwise transferred within the United States except: (i) within the United States to investors who are reasonably believed to be QIBs in reliance on Rule 144A or pursuant to another available exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act; or (ii) to certain persons in "offshore transactions" as defined in, and in compliance with Regulation S, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than to persons reasonably believed to be QIBs in the United States in accordance with Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 16.3.1 "United States".

Any offer or sale in the United States will be made solely by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Retail Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Retail Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

16.2.2 United Kingdom

Each Manager has severally represented, warranted, and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Offer Shares in circumstances in which section 21(1) of the FSMA does not apply to the Company; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to everything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

16.2.3 European Economic Area

In relation to each member state of the European Economic Area, other than Norway and Sweden (each a “**Relevant Member State**”), no Offer Shares have been offered or will be offered to the public in that Relevant Member State pursuant to the Retail Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- to persons who are "qualified investors" within the meaning of Article 2(e) in the EU Prospectus Regulation;
- fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant State, with the prior written consent of the Managers for any such offer; or
- in any other circumstances falling under the scope of Article 1(4) of the EU Prospectus Regulation;

provided that no such offer of Offer Shares shall result in a requirement for the Company or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Retail Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

This EEA selling restriction is in addition to any other selling restrictions set out in this Prospectus.

16.3 Transfer restrictions

16.3.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold, directly or indirectly, or otherwise transferred within the United States except: (i) within the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; and (ii)

outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this Section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented, and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to significant restrictions on transfer.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations, and agreements in behalf of each such account.
- The purchaser acknowledges that these representations are required in connection with the securities laws of the United States and that the Company, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States pursuant to Rule 144A or another available exemption under the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it may be made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Offer Shares into any depository receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.
- The Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.
- The Company shall not recognise any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.
- If the purchaser is requiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with

respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- The purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Managers, and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

16.3.2 European Economic Area and the United Kingdom

Each person in a Relevant State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted, and agreed to and with each Manager and the Company that:

- a) it is a qualified investor within the meaning of Articles 2(e) of the EU Prospectus Regulation; and
- b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Retail Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

17 NORWEGIAN TAXATION

*The following is a brief summary of certain Norwegian tax considerations relevant to the acquisition, ownership and disposition of Shares by holders that are residents of Norway for purposes of Norwegian taxation (“**resident or Norwegian shareholders**”) and holders that are not residents of Norway for such purposes (“**non-resident or foreign shareholders**”). The summary is based on applicable Norwegian laws, rules and regulations as of the date of this Information Document. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis for the same tax year.*

The summary is of a general nature and does not purport to be a comprehensive description of all tax considerations that may be relevant and does not address taxation in any other jurisdiction than Norway.

The summary does not concern tax issues for the Company and the summary only focuses on the shareholder categories explicitly mentioned below. Special rules may apply to shareholders who are considered transparent entities for tax purposes, for shareholders holding shares through a Norwegian permanent establishment and for shareholders that have ceased or cease to be resident in Norway for tax purposes. Each shareholder, and specifically non-resident shareholders, should consult with and rely upon their own tax advisers to determine their particular tax consequences.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdiction in which the shareholders are resident for tax purposes may have an impact on the income received from the Shares.

17.1 Taxation of dividends

17.1.1 Resident corporate shareholders

Dividends distributed from the Company to Norwegian corporate shareholders (*i.e.* limited liability companies and certain similar entities) are generally exempt from tax pursuant to the participation exemption method (Nw.: "Fritaksmetoden"). However, this only applies in full to a corporate shareholder holding more than 90% of the outstanding shares in the Company. For all other resident corporate shareholders, 3% of such dividends will be included as taxable income and taxed at the current ordinary income tax rate of 22%. This means that dividends paid by the Company to resident corporate shareholders are effectively taxed at a rate of 0.66%. Norwegian financial institutions are subject to ordinary income tax at a rate of 25% and the effective tax rate for shareholders who are Norwegian financial institutions is therefore 0.75%.

17.1.2 Resident individual shareholders

Dividends distributed from the Company to Norwegian individual shareholders are taxed as ordinary income at a current rate of 22% to the extent the dividends exceed a statutory tax-free allowance (Nw.: "Skjermingsfradrag"). The tax basis is upward adjusted with a factor of 1.72 before taxation, implying that dividends exceeding the tax-free allowance are effectively taxed at a rate of 37.84%.

The tax-free allowance is calculated on a share-by-share basis for each individual shareholder on the basis of the cost price of each of the Shares multiplied by a risk-free interest rate. The risk-free interest rate is based on the effective rate of interest on treasury bills (Nw.: "Statskasseveksler") with three months maturity plus 0.5 percentage points, after tax. The risk-free interest rate is determined by the Norwegian Directorate of Taxes each January for the preceding income year. For 2023 the rate was 3.2%.

The tax-free allowance is calculated for each calendar year and is allocated solely to Norwegian individual shareholders holding Shares at the expiration of the relevant calendar year. Norwegian individual shareholders who transfer Shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated tax-free allowance one year exceeding the dividend distributed on the Share ("unused allowance") may be carried forward and set off against future dividends received on (or gains upon realization of, see below) the same Share. Any unused allowance will also be added to the basis of computation of the tax-free allowance on the same Share the following year.

Resident individual shareholders may hold the shares through a Norwegian share savings account (Nw.: "Aksjesparekonto"). Dividends received on shares held through a share savings account will not be taxed with immediate effect. Instead, withdrawals of funds from the share saving account exceeding the paid in deposit will be treated as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 37.84%, see above.

17.1.3 Non-resident shareholders

Dividends distributed from the Company to non-resident shareholders are in general subject to Norwegian withholding tax at a rate of currently 25%, unless otherwise provided for in an applicable tax treaty or if the recipient is a corporate shareholder tax resident within the EEA (ref. Section 17.1.4 "*Shareholders tax resident within the EEA*" below for more information on the EEA exemption).

Norway has concluded tax treaties with approximately 90 countries. In most tax treaties the withholding tax rate is reduced to 15% or lower.

A distributing company will generally deduct withholding tax at the applicable rate when dividends are paid to a foreign shareholder registered directly as shareholder with the account operator in VPS. Nominee registered shares will be subject to withholding tax at a rate of 25% unless the nominee has obtained approval from Norwegian tax authorities for the dividend to be subject to a lower withholding tax rate.

All non-resident shareholders must document their entitlement to a reduced withholding tax rate by obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state under that country's domestic law as well as under the applicable tax treaty. Shareholders who own shares registered on a VPS account in a foreign custodian's name (NOM account) must provide the documentation to the foreign custodian. Shareholders who own shares on a VPS account registered directly in the name of the shareholder, must provide the documentation to the account operator for investor. The certificate of residence is initially valid for three years after the date it's issued.

Non-resident shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Foreign corporate shareholders must also present either (i) an approved withholding tax refund application or (ii) an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate or a withholding tax exemption.

Foreign individual and corporate shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax administration for a refund of the excess

withholding tax deducted. The same applies for foreign corporate shareholders that have suffered withholding tax although qualifying for the Norwegian participation exemption.

If foreign shareholders are engaged in business activities in Norway, and their Shares are effectively connected with such business activities, dividends distributed on their Shares will generally be subject to the same taxation as that of Norwegian shareholders.

The shareholder's country of residence may grant tax credit for any Norwegian withholding tax imposed on the dividend. Non-resident shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming refund of withholding tax.

17.1.4 Shareholders tax resident within the EEA

Dividends distributed from the Company to *individual* shareholders tax-resident within the EEA are upon request entitled to a deductible allowance (Nw.: "Skjermingsfradrag", ref. Section 17.1.2 "*Resident individual shareholders*"). The shareholder shall pay the lesser amount of (i) withholding tax according to the rate in the applicable tax treaty or (ii) withholding tax at 25% after deduction of the tax-free allowance, in which case any excess allowance may be carried forward.

Dividends distributed from the Company to *corporate* shareholders tax resident within the EEA are exempt from Norwegian withholding tax, provided the shareholder is the beneficial owner of the Shares and genuinely established and performs genuine economic business activities within the EEA.

The documentation requirements in Section 17.1.3 "*Non-resident shareholders*" apply.

Non-resident individual shareholders resident in the EEA for tax purposes may hold their shares through a Norwegian share savings account. Dividends received on and gains derived upon the realization of shares held through a share savings account by a non-Norwegian individual shareholder resident in the EEA will not be taxed with immediate effect. Instead, withdrawal of funds from the share savings account exceeding the amount the non-Norwegian personal shareholder paid in deposit, will be subject to withholding tax rate at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains realized upon realization of shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax. The obligation to deduct and report withholding tax on shares held through a saving account, ref. above, lies with the account operator.

17.2 Taxation upon realisation of shares

17.2.1 Resident corporate shareholders

For Norwegian corporate shareholders, capital gains upon realisation of Shares are generally exempt from tax. Losses are not deductible.

17.2.2 Resident individual Shareholders

For Norwegian individual shareholders, capital gains upon realization of Shares are taxable as ordinary income in the year of realization and have a corresponding right to deduct losses that arise upon such realization. The tax liability applies irrespective of time of ownership and the number of Shares realized.

The tax rate for ordinary income is currently 22%. The tax basis is adjusted upward with a factor of 1.72 before taxation/deduction, implying an effective tax rate of 37.84%.

The taxable gain or loss is calculated per Share as the difference between the consideration received and the cost price of the Share, including any costs incurred upon acquisition or realization of the Share. Any unused allowance on a Share (see Section 17.1.2 “*Resident individual shareholders*”) may be set off against capital gains on the same Share but will not lead to or increase a deductible loss, *i.e.* any unused allowance exceeding the capital gain upon realization of the Share will be annulled. Any unused allowance on one Share may not be set off against gains on other Shares.

If a shareholder disposes of Shares acquired at different times, the Shares that were first acquired will be deemed as first disposed (the FIFO-principle) when calculating a taxable gain or loss.

Resident individual shareholders may hold the Shares through a share saving account, ref. 17.1.2 above. Gains derived upon the realization of Shares held through a share saving account will be exempt from Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 37.84% (for 2024). Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income. The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused tax-free allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account. Resident individual Shareholders holding shares through more than one share savings account may transfer their shares or securities between the share saving accounts without incurring Norwegian taxation.

Special exit tax rules apply for resident individual shareholders that cease to be tax resident in Norway.

17.2.3 Non-resident shareholders

Gains from realisation of Shares by non-resident shareholders will not be subject to taxation in Norway unless (i) the Shares are effectively connected with business activities carried out or managed in Norway, or (ii) the Shares are held by an individual who has been a resident of Norway for tax purposes with unsettled/postponed exit tax. See also Section 17.1.4 “*Shareholders tax resident within the EEA*” above regarding Norwegian share savings account.

17.3 Net wealth tax

Norwegian corporate shareholders are not subject to net wealth tax. Norwegian personal shareholders are generally subject to net wealth taxation at a current rate of 1% on net wealth exceeding NOK 1,700,000 and 1.1% on net wealth exceeding NOK 20,000,000. The general rule is that the Shares will be included in the net wealth with 80% of the listed value as of 1 January in the year of assessment.

Non-resident shareholders are generally not subject to Norwegian net wealth tax, unless the Shares are held in connection with business activities carried out or managed from Norway.

17.4 Stamp duty / transfer tax etc.

Norway does not impose any stamp duty or transfer tax on the transfer or issuance of Shares.

There is no VAT on transfer of shares and Norway does not impose any inheritance tax. An heir takes over the tax positions, including the input values, based on principles of continuity.

17.5 The Company's responsibility for the withholding of taxes

The Company is responsible for and shall deduct, report and pay to the Norwegian tax authorities any applicable withholding tax on dividends to foreign shareholders.

18 ADDITIONAL INFORMATION

18.1 Independent auditors

The Group's independent auditor is RSM Norge AS, with business registration number 982 316 588 and registered business address at Ruseløkkveien 30, 0251 Oslo, Norway. The partners of RSM Norge AS are members of The Norwegian Institute of Public Accountants (Nw.: "Den Norske Revisorforeningen").

RSM Norge AS has been the Company's independent auditor since 18 August 2021.

18.2 Advisors

CMS Kluge Advokatfirma AS, with business registration number 913 296 117, and registered business address at Olav Kyrres gate 21, 4005 Stavanger, Norway, have acted as Norwegian legal counsel to the Company in connection with the Retail Offering and the Listing.

Wikborg Rein Advokatfirma AS, with business registration number 916 782 195 and registered address Dronning Mauds gate 11, 0250 Oslo, Norway, and Deloitte AS, with registration number 980 211 282 and registered address Dronning Eufemias gate 14, 0194 Oslo, Norway, have acted as the Company's legal and financial due diligence advisors in connection with the Listing.

Both Wikborg Rein and Deloitte are independent of the Company. There are no known circumstances that are likely to create uncertainty over the independence of the advisers that will carry out the due diligence or any other matters that may be material to the question of whether satisfactory due diligence investigations are to be carried out.

The due diligence review process is based on documents presented by the Company in a virtual data room in accordance with agreed disclosure requirements. The extent and scope of the both the legal and the financial due diligence reviews are in accordance with standard market practice for legal and financial due diligence reviews in connection with admission to Oslo Stock Exchange.

18.3 Documents available

Copies of the following documents will be available for inspection at the Company's offices at Drammensveien 126, 0277 Oslo, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- the Company's certificate of incorporation and Articles of Association; and
- all reports, letters, and other documents, historical financial information, valuations, and statements prepared by any expert at the Company's request any part of which is included or referred to in this Prospectus.

The documents are also available at the Company's website www.capsoltechnologies.com. The content of www.capsoltechnologies.com is not incorporated by reference into, or otherwise form part of, this Prospectus.

19 DEFINITIONS AND GLOSSARY

When used in this Prospectus, the following defined terms shall have the following meaning:

Annual Financial Statements	The Company's consolidated financial statements for the year ended 31 December 2023 prepared in accordance with IFRS as approved by EU, with comparable audited figures for the years ended 31 December 2022 and 2021, audited by the statutory auditors RSM. RSM's audit opinion is included together with the Annual Financial Statements as Appendix B.
Application period	The application period for the Retail Offering that will commence at 09:00 CEST on 28 May 2024 and close at 16:30 CEST on 5 June 2024 (subject to potential extension).
Appropriate Channels for Distribution	Distribution channels as are permitted by MiFID II
Articles of Association	The Company's articles of association as of 16 February 2024
BECCS	Bioenergy with carbon capture and storage
Board of Directors	The board of directors of the Company
Board Members	The members of the Board of Directors
CAD	The lawful currency of Canada
Capsol Technologies	Capsol Technologies ASA
Carbon Capture	The act of capturing CO ₂ from a point source, hindering this CO ₂ from reaching the atmosphere and contributing to global warming.
CBAM	The EU's Carbon Border Adjustment Mechanism
CCaaS	Carbon Capture as-a-Service
CCS	Carbon capture and storage
CCUS	Carbon capture, utilisation and storage
CEO	The chief executive officer of the Company
CEF	Connecting Europe Facility
CO₂	Carbon dioxide
CHP	Combined Heat and Power
Company	Capsol Technologies ASA
Core Patent	The invention is described in patent NO341515 "Method and plant for CO ₂ capture"

DNB	DNB Bank ASA
EEA	European Economic Area
EfW	Energy-from-waste
Eickmeyer	Eickmeyer & Associates Inc.
EoP	End of Pipe
EPC	Engineering, procurement, and construction
EU	European Union
EU ETS	The EU Emission Trading System
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended, and as implemented in Norway
EUR	The single currency of the participating member states in the EU participating in the European Monetary Union having adopted euro as its lawful currency
EUR Term Loan	The EUR 1,0723,400 secured term loan with DNB as lender
FEED	Front-end engineering and design
FID	Final investment decision
Financial Information	The Interim Financial Information and the Annual Financial Statements
FSMA	The Financial Services and Markets Act of 2000
GAAP	General Accepted Accounting Principles
GBP	The lawful currency of the United Kingdom
General Meeting	The general meeting of the Company
Group	The Company together with its subsidiaries
GRS	General Accepted Accounting Principles (Nw.: God Regnskapsskikk)
GTPA	Gigatonnes per annum
HPC	Hot Potassium Carbonate
IAS 34	IAS 34 Interim Financial Reporting
IFRS	IFRS® Accounting Standards as adopted by the EU

Interim Financial Information	The Company's consolidated interim financial statements as of and for the three-month periods ending 31 March 2024 and 31 March 2023, prepared in accordance with IAS 34 <i>Interim Financial Reporting</i> . The Interim Financial Information has been subject to review procedures by RSM, and RSM's review report is included together with the attached Interim Financial Information as Appendix C.
IEA	The International Energy Agency
IRA	Inflation Reduction Act in the United States
LEI	Legal Entity Identifier
Listing	The listing of the Company's shares on the Oslo Stock Exchange
LNG	Liquefied natural gas
Management	The members of the Company's executive management
Managers	Pareto Securities AS and SpareBank 1 Markets AS
MiFID II	EU Directive 2014/65/EU
MiFID II Product Governance Requirements	Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing requirements
MoU	Memorandum of Understanding
MP	Melberg Partners AS
Multicurrency Term Loan	The EUR 3,075,000 secured multicurrency term loan with DNB as lender
MWe	Megawatt electric
Negative Target Market	Full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.
NZE Scenario	The IEA's Net Zero Emissions by 2050 Scenario, as used by the IEA
NGAAP	The Norwegian General Accepted Accounting Principles
NOK	Norwegian kroner, the lawful currency of Norway
NOK Term Loan	The NOK 23 million secured term loan with DNB as lender
NOM-account	Nominee account
Nordnet	Nordnet Bank AB
Norwegian Accounting Act	The Norwegian Accounting Act of 17 July 1998 no. 56 (Nw.: "regnskapsloven")

Norwegian FSA	The Norwegian Financial Supervisory Authority of Norway (Nw.: “Finanstilsynet”)
Norwegian Private Companies Act	The Norwegian Private Limited Liability Companies Act of 13 June 1997 no. 44 (Nw.: “aksjeloven”)
Norwegian Public Companies Act	The Norwegian Public Limited Liability Companies Act of 13 June 1997 no. 45 (Nw.: “allmennaksjeloven”)
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 28 June 2007 no. 75 (Nw.: “verdipapirhandelloven”)
OCGT(s)	Open-cycle gas turbines
Offer Price	The price at which the Offer Shares will be sold in the Retail Offering, meaning 10% discount to the minimum of (i) the volume-weighted average price of the Shares on Euronext Growth Oslo during the Application Period (seven trading days between 28 May 2024 and 5 June 2024), and (ii) the volume-weighted average price of the Shares on Euronext Growth Oslo on the last day of the Application Period (one trading day on 5 June 2024).
Offer Share(s)	The Shares issued in the Retail Offering
the Oslo Stock Exchange	A regulated stock exchange operated by Oslo Børs ASA
OTSP	Operation and testing packages with the CapsolGo® units to demonstrate the technology on the customers sites and facilities
p.a.	Per annum
Paris Agreement	Legally binding international treaty on climate change adopted by 196 parties at the UN Climate Change Conference (COP21) in Paris on 12 December 2015
Positive Target Market	An end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II.
Private Placement	The private placement of 7,005,274 new shares completed on 16 February 2024
Prospectus	This prospectus dated 24 May 2024
Relevant Member State	Each member state of the EEA which has implemented the EU Prospectus Regulation.
Retail Offering	The retail offering to the public in Norway and Sweden
Rule 144A	Rule 144A under the U.S. Securities Act
RSM	RSM Norge AS, the Company’s independent auditor
QIBs	“Qualified institutional buyers” in the United States as defined in, and in reliance on, Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act of 1933 (as amended)

SAF	Sustainable Aviation Fuel
SFW	Sumitomo SHI FW
Share(s)	The shares of the Company, each with a nominal value of NOK 0.5
Storegga	Storegga Limited
Target Market Assessment	The Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional customers and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.
TRL	Technology Readiness Level
U.S. or United States	The United States of America
USD	The lawful currency of the United States
U.S. Securities Act	The U.S. Securities Act of 1933, as amended
VPS	The Norwegian Central Securities Depository (Nw.: "Verdipapirsentralen").
VPS Registrar	DNB Bank ASA
VWAP	Volume weighted average price