



Half Year Report

2022

Ocean GeoLoop

# Table of contents

About Ocean GeoLoop . . . . .	3
CEO letter . . . . .	4
Our technologies . . . . .	5
How we work . . . . .	6
Roadmap to market . . . . .	7
Key figures and financial highlights . . . . .	8
Business update . . . . .	9
Interim consolidated financial statements . .	12

# About Ocean GeoLoop

**Ocean GeoLoop is a green tech company aiming at using nature's own way of solving the challenges of our time in a circular way.**

In 2022, the company introduces the GeoLoop CC technology that captures point source CO<sub>2</sub> emissions, using natural and harmless processes, transforming the CO<sub>2</sub> to a stable, liquid state. Ocean GeoLoop call this process "Carbon capture by nature." The GeoLoop CC technology will help companies and countries around the globe to reach their goals of reduced emissions before 2030 and net zero by 2050. The company is listed on Euronext Growth Oslo under the ticker OCEAN.



# CEO letter

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*The first half of 2022 was a busy and eventful period for Ocean GeoLoop with the successful listing, the acquisition of Energi Teknikk, expansion of our team and the successful installation of the carbon capture pilot at Norske Skog Skogn. The pilot installation was an important milestone and proves the ability of the Ocean GeoLoop team and our partners to deliver quality work under challenging circumstances.*

*Following the listing on Euronext Growth Oslo, and the subsequent capital raise towards Chevron, we have strengthened our financial position even further to develop and commercialize our technologies and solve the challenges of our times in a circular way.*

*We are excited about the potential of our technology and expect a successful operational pilot plant to accelerate our commercial activity even further. We expect carbon capture to play an even more important role in solving the current energy crisis.*

*Odd-Geir Lademo*

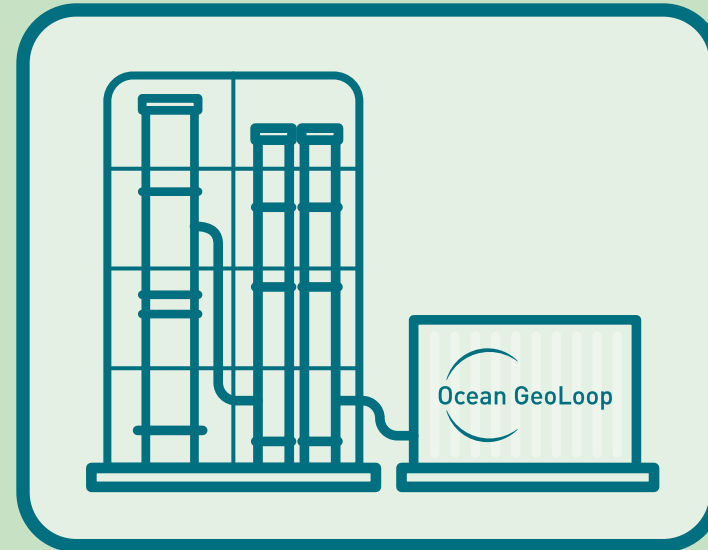
Odd-Geir Lademo  
CEO of Ocean GeoLoop



# Our technologies

## Point source carbon capture unit

- Captures CO<sub>2</sub> from a point source emitter and can turn it into pure, liquid state
- Can be delivered as a service, allowing the customers to pay per ton of captured CO<sub>2</sub>



### 100% capture

Can capture close to 100% of CO<sub>2</sub> from the flue-gas

### 100% clean

The separation of CO<sub>2</sub> from flue-gas uses no harmful chemicals, no toxic materials and produces no pollutants

### 100% self-financed

Our ambition is to make this possible via the embedded electricity generating unit, the e-loop

## GeoLoop Column unit

- A multi-functional, ocean-based dome-system enabling biomass production, ocean purification and oxygenation



### Biomass

Production and sale of biomass for feedstock

### Cleaning the oceans

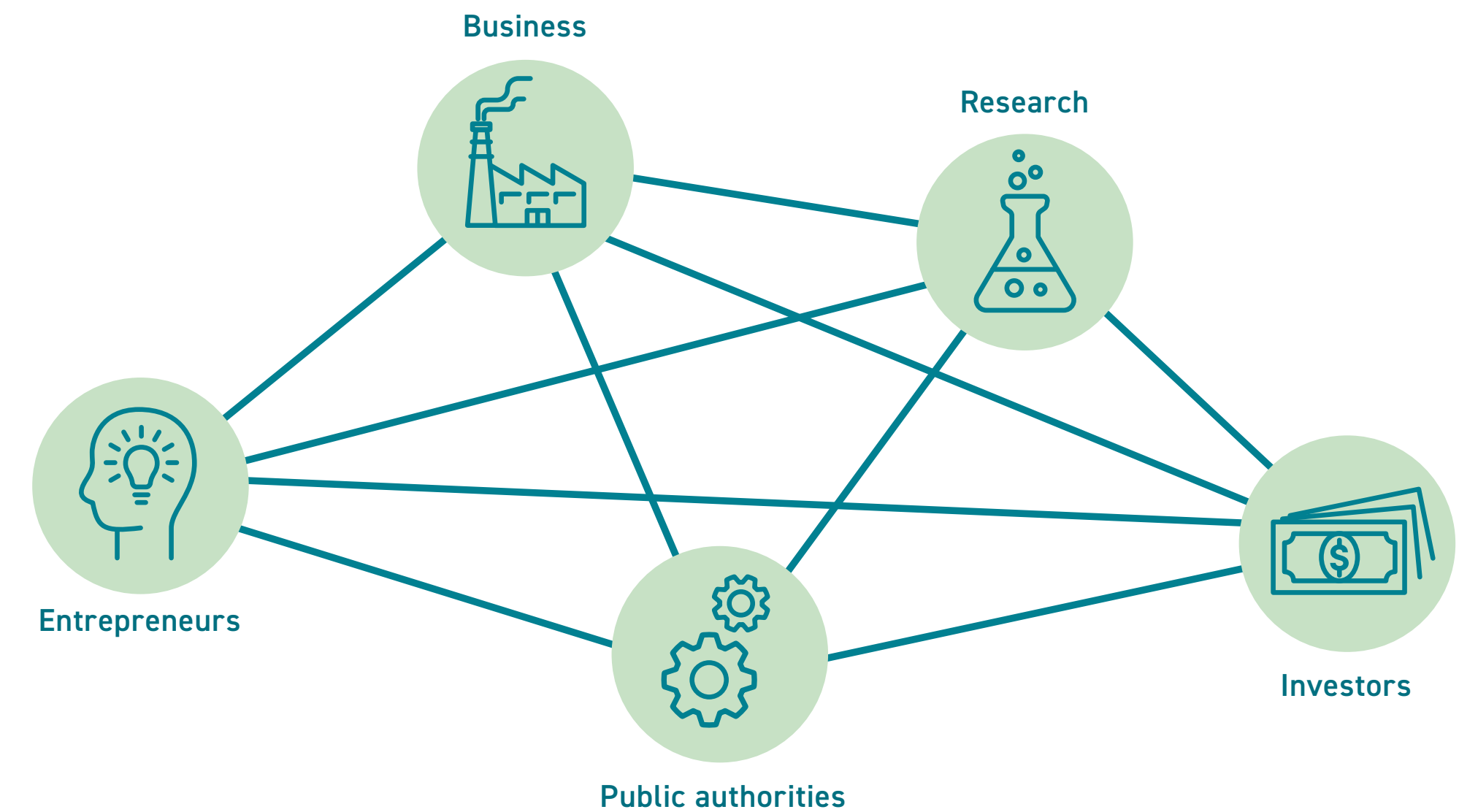
Enabling ocean purification and oxygenation for public and private clients

# How we work

Ocean GeoLoop consciously and actively works in a broad international network - in line with the model illustrated.

- New, industrial partnerships are constantly being established, nationally and internationally. Through a set of pilots, the company has linked up an exciting and growing supplier network
- The company has engaged key personnel from internationally recognized R&D institutions to assist with technology development in various phases
- Through a total of 4 private placements the company has raised approximately NOK 360 million\* from national and international investor segments
- The company works actively with and involves authorities, policy makers, clusters and business organizations

\* Includes private placement of NOK 101.6 million with Chevron in August 2022



# Roadmap to market

The pilot plant at Norske Skog Skogn aims to demonstrate the GeoLoop Carbon Capture to be as clean, robust and efficient as expected. When proven, it can be a key enabling technology to decarbonize point-source emissions. Ocean GeoLoop targets a wide range of emitters and downstream value chains.

## CCS – Carbon Capture and Storage

CCS is a prominent market segment for the reduction of greenhouse gas emissions. The high-profiled Northern Lights project represents the first infrastructure for storage in Norway. Ocean GeoLoop has a close collaboration with several industry companies related to the CCS value chain, both domestic and international.

## CCU – Carbon Capture and Utilization

CCU value chains represent opportunities that can bring Ocean GeoLoop's capture technology into commercial operation faster than conventional CCS. The company is involved in several project activities aimed for CCU purposes. These activities are currently not reliant on the ETS quota price and are hence expected to be commercial irrespective of such pricing.



# Key figures and financial highlights

## Financial highlights

- Revenue and operating income in the first half year 2022 of NOK 48.5 million, up NOK 48.2 million from same period 2021 (1H 2021: 0.3)
- EBITDA of NOK -47.2 million (1H 2021: -29.2)
- Cash balance of NOK 108.3 million (1H 2021: 64.1)
- Acquisition of 67% of Energi Teknikk for NOK ~47 million
- Successful private placement of NOK 55 million with listing on Euronext Growth
- Allocation of innovation grant of NOK 9.2 million from Innovation Norway
- Subsequent to the first half year:
  - Private placement which raised NOK 101.6 million and signed memorandum of understanding (MOU) with Chevron U.S.A. Inc (Chevron)

## Key figures

Amounts in NOK thousand	H1 2022 <sup>*)</sup>	H1 2021	Full Year 2021
Revenue and operating income	48 512	300	300
Operating expenses	95 718	28 512	52 019
EBITDA <sup>*)</sup>	-47 205	-28 212	-51 719
Operating profit (loss)	-49 898	-28 227	-51 776
Pre-tax profit (loss)	-50 579	-28 240	-51 802
Net profit (loss)	-50 579	-28 240	-51 802
Net cash flow from operating activities	-47 058	-31 974	-53 596
Cash balance end of period	108 317	64 077	142 515
Equity	166 095	63 479	141 191
Permanent employees (Headcount)	31	5	9

\*) H1 2022 consist of consolidated financial figures of Ocean GeoLoop AS and its subsidiaries, Energi Teknikk AS and Brekke Turbiner AS.

\*) EBITDA: Earnings before interest, tax, depreciation and amortization.



# Business update

## Initial public offering (IPO)

March 8, 2022, Ocean GeoLoop AS listed for public trading on Euronext Growth Oslo, following the successful private placement and share issue with total gross proceeds of NOK 55 million.



## Acquisition of Energi Teknikk AS

In February 2022, Ocean GeoLoop purchased 67% of Energi Teknikk AS for NOK ~47 million, implying a pre-money valuation of NOK ~70 million. The consideration was a mix of cash, shares and a convertible loan. The Transaction is considered as a strategic investment for the Ocean GeoLoop. Energi Teknikk AS is an experienced producer and supplier of, hydropowered turbines and associated design/ services related to such systems.

Ocean GeoLoop has an ambition to integrate such technology elements, as a part of the e-Loop technology, for our next-generation point-source CCS/CCU. The acquisition provides combined competence for development of the next-generation technology, and EPC competences and executionary force for industrial growth for Ocean GeoLoop.



## Pilot installation and first commissioning phase

In June 2022, Ocean GeoLoop, in collaboration with sub-contractors and partners, completed the on-time installation of our carbon capture pilot plant at Norske Skog Skogn.

The main objectives of the pilot plant installation and test phases are:

- to document that the technology is industrially scalable and in line with our process calculations
- to document that the process handles a range of operational conditions and performs in a robust and predictable manner
- to optimize the process

A comprehensive test program will be carried out in cooperation with SINTEF Industry.

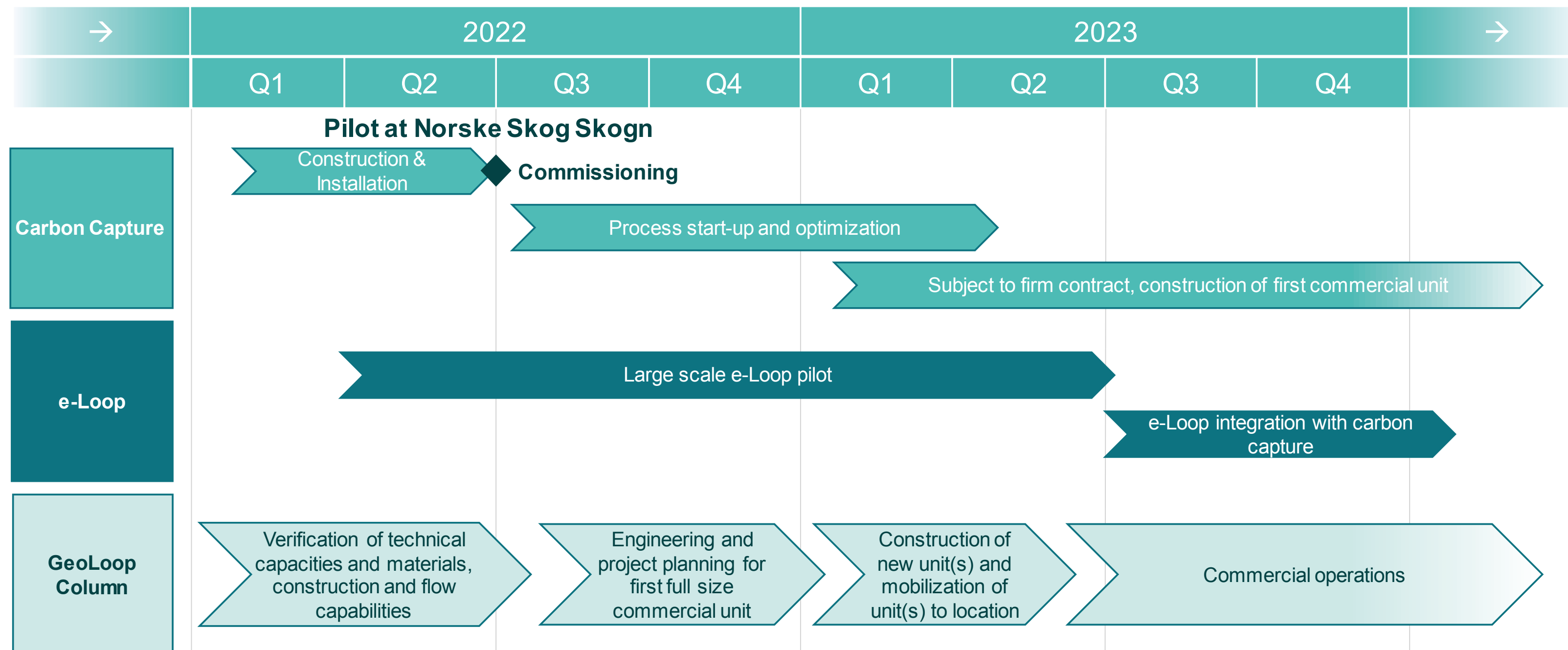
The facility represents a physical showroom of the technology for partners from R&D and industry. The installation is built in a modular manner enabling it to be moved to other industrial locations for testing in a range of industrial environments.



## Strengthening of SINTEF collaboration

In accordance with our high-level timeline, SINTEF is also involved in the technological development of the GeoLoop Column and e-Loop. The long-term and strong collaboration ensures access to high level expertise from a broad range of disciplines, state-of-the-art laboratories, and national and international industry and technology networks. Ocean GeoLoop has invested in own research infrastructure in SINTEF operated laboratories in Trondheim associated to all our technology areas.

## High level timeline for the entire business rollout



## Subsequent event

In mid-August 2022 Ocean GeoLoop entered into an investment agreement with Chevron to issue new shares in a private placement as well as an MOU to identify potential joint projects.

The investment brought total gross proceeds of NOK 101.6 million to the company. The net proceeds from the private placement will be used to fund the company's working capital and general corporate purposes. Following completion of the transaction, Chevron will be the company's third largest shareholder.

The MOU provides a framework for Chevron and Ocean GeoLoop to study potential joint project opportunities to advance the scale-up and commercialization of Ocean GeoLoop's carbon capture technology.

# Interim consolidated financial statements

## Responsibility statement

We confirm, to the best of our knowledge, that the condensed set of interim consolidated financial statements for the first half of 2022, which have been prepared in accordance with NRS 11 Interim Accounts, give a true and fair view of the company's assets, liabilities, financial position and results of operation, and that the half year report provides a fair overview of additional disclosure requirements under the Norwegian Securities Trading Act. The Board of Directors and the CEO have today considered and approved the consolidated condensed financial statements for the six months ended 30 June 2022, for Ocean GeoLoop.

Verdal, 25. August 2022



Anders Onarheim  
*Chairman of the Board*



Morten Platou  
*Board member*



Hans Kristian Hustad  
*Board member*



Ebbe Arnstein Deraas  
*Board member*



Ole Rogstad Jørstad  
*Board member*



Lars Sperre  
*Board member*



Odd Geir Lademo  
*CEO*

## INCOME STATEMENT

### CONSOLIDATED CONDENSED INCOME STATEMENT (UNAUDITED)

Amounts in NOK	Note	H1 2022	H1 2021	Full Year2021
Revenues		48 512 435	300 000	300 000
Cost of goods sold		36 018 399	2 081	11 161
Salary and other personel cost		10 722 169	2 923 755	9 125 115
Other operating expenses		48 977 012	25 586 024	42 882 545
<b>Operating profit (loss) before depreciation and impairment</b>		<b>-47 205 144</b>	<b>-28 211 860</b>	<b>-51 718 821</b>
Depreciation, amortizations and write downs		2 693 238	14 751	57 395
<b>Operating profit (loss)</b>		<b>-49 898 382</b>	<b>-28 226 611</b>	<b>-51 776 216</b>
Net financial items		-680 676	-12 922	-25 731
<b>Net profit (loss) before tax</b>		<b>-50 579 058</b>	<b>-28 239 533</b>	<b>-51 801 947</b>
Income tax expence		-	-	-
<b>Net profit (loss) for the period</b>		<b>-50 579 058</b>	<b>-28 239 533</b>	<b>-51 801 947</b>
<b>Equity holders of the parent company</b>		<b>-50 499 180</b>	<b>-28 239 533</b>	<b>-51 801 947</b>
<b>Non-controlling interests</b>		<b>-79 877</b>		

## BALANCE SHEET

### CONSOLIDATED CONDENSED BALANCE SHEET (UNAUDITED)

Amounts in NOK	Note	H1 2022	H1 2021	Full Year 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		66 838 318	-	-
Property, plant & equipment		3 260 224	210 561	1 369 303
Long term financial assets		5 000	-	-
<b>Total non-current assets</b>		<b>70 103 542</b>	<b>210 561</b>	<b>1 369 303</b>
<b>Current assets</b>				
Inventory		1 920 737	-	-
Accounts receivables and other receivables		31 322 041	4 597 470	8 166 503
Cash and cash equivalents		108 316 810	64 077 403	142 514 942
<b>Total current assets</b>		<b>141 559 588</b>	<b>68 674 873</b>	<b>150 681 445</b>
<b>Total assets</b>		<b>211 663 130</b>	<b>68 885 434</b>	<b>152 050 748</b>

Amounts in NOK	Note	H1 2022	H1 2021	Full Year 2021
<b>EQUITY</b>				
Share capital		499 698	448 500	484 833
Other equity and reserves		142 192 581	63 030 327	140 706 570
Non-controlling interests		23 403 071	-	-
<b>Total equity</b>		<b>166 095 350</b>	<b>63 478 827</b>	<b>141 191 403</b>
<b>Non-current liabilities</b>				
Debt to financial institutions		926 311	-	-
<b>Total non-current liabilities</b>		<b>926 311</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Accounts payable and other current liabilities		44 641 468	5 406 607	10 859 345
<b>Total current liabilities</b>		<b>44 641 468</b>	<b>5 406 607</b>	<b>10 859 345</b>
<b>Total equity and liabilities</b>		<b>211 663 130</b>	<b>68 885 434</b>	<b>152 050 748</b>

## EQUITY

### CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Amounts in NOK	Share Capital	Share Premium Reserve	Other Paid-in Capital	Total Retained Earnings	Non-controlling interests	Total Equity Incl. Non-ctr intr
<b>Opening balance 1 January 2022</b>	<b>484 833</b>	<b>206 947 257</b>	<b>-9 724 955</b>	<b>-56 515 732</b>	<b>-</b>	<b>141 191 403</b>
Issued Share Capital, 4 March 2022	14 865	54 985 191	-3 000 000			52 000 056
Business Combinations					23 482 949	23 482 949
Profit/Loss for the period				-50 499 180	-79 877	-50 579 058
<b>Closing Balance 30 June 2022</b>	<b>499 698</b>	<b>261 932 448</b>	<b>-12 724 955</b>	<b>-107 014 912</b>	<b>23 403 071</b>	<b>166 095 350</b>

## CASH FLOW

### CONSOLIDATED CONDENSED STATEMENT OF CASHFLOW (UNAUDITED)

Amounts in NOK	Note	H1 2022	H1 2021	Full Year 2021
<b>Cash flow from operating activities</b>				
Net profit before tax		-50 579 058	-28 239 533	-51 801 947
Depreciation and amortisation expenses		2 693 238	14 751	57 395
Changes in inventories, acc. receivables and acc. payable		9 630 089	-176 509	3 189 025
Changes in other accruals		-8 802 132	-3 573 121	-5 040 199
<b>Net cash flow from operating activities</b>		<b>-47 057 863</b>	<b>-31 974 412</b>	<b>-53 595 726</b>
<b>Cash flows from investing activities</b>				
Purchase of tangible non current assets		-17 249	-210 561	-1 426 698
Cashflow effect from Business Combinations		-39 030 196	-	-
<b>Net cash flow used in investing activities</b>		<b>-39 047 445</b>	<b>-210 561</b>	<b>-1 426 698</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings		-92 879	-	-
Changes in paid-in-capital		52 000 056	-	101 274 990
<b>Net cash flow from financing activities</b>		<b>51 907 177</b>	<b>-</b>	<b>101 274 990</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>-34 198 132</b>	<b>-32 184 973</b>	<b>46 252 566</b>
Cash and cash equivalents at beginning of period		142 514 942	96 262 376	96 262 376
<b>Cash and cash equivalents at end of period</b>		<b>108 316 810</b>	<b>64 077 403</b>	<b>142 514 942</b>



## NOTES

### Note 1 General information

Ocean GeoLoop AS is a private limited company incorporated and domiciled in Norway. The registered address of the office is Neptunvegen 6, 7652 Verdal.

Ocean GeoLoop is a green tech company aiming at using nature's own way of solving the challenges of our time in a circular way. In 2022, the company introduces the GeoLoop CC technology that captures point source CO<sub>2</sub> emissions, using natural and harmless processes, transforming the CO<sub>2</sub> to a stable, liquid state. Ocean GeoLoop call this process "Carbon capture by nature." The GeoLoop CC technology will help companies and countries around the globe to reach their goals of reduced emissions before 2030 and net zero by 2050. The company is listed on Euronext Growth Oslo under the ticker OCEAN.

The financial report is authorized for issue by the Board of Directors as of 25.08.2022.

### Note 2 Accounting policies

The condensed consolidated financial statements of Ocean GeoLoop AS and its subsidiaries, Energi Teknikk AS and Brekke Turbiner AS (the "Group"), are prepared in accordance with Norwegian Generally Accepted Accounting Principles (N-GAAP) and NRS 11. Please refer to the 2021 annual report for a detailed description of the accounting policies. The report is available on [www.oceangeoloop.com](http://www.oceangeoloop.com)

As a result of rounding differences, numbers or percentages may not add up to the total.

### Note 3 Judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The estimates and judgements are reviewed on an ongoing basis, considering the current and expected future market conditions. If in the future such estimates and assumptions, which are based on management's best judgment at the date of the interim financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. Refer to the annual report of 2021 for more details related to key judgements and estimation.

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