



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 923 778 098  
Organisasjonsform: Aksjeselskap  
Foretaksnavn: CARBON TRANSITION INVESTMENT AS  
Forretningsadresse: Askekroken 11  
0277 OSLO

### Regnskapsår

Årsregnskapets periode: 01.01.2021 - 31.12.2021

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Nei  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Nina Midtlie  
Dato for fastsettelse av årsregnskapet: 25.03.2022

### Grunnlag for avgivelse

År 2021: Årsregnskapet er elektronisk innlevert  
År 2020: Tall er hentet fra elektronisk innlevert årsregnskap fra 2021

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 24.03.2023



### Resultatregnskap

Beløp i: USD	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Change in fair value for investments	6	8 404 121	0
<b>Sum inntekter</b>		<b>8 404 121</b>	<b>0</b>
<b>Kostnader</b>			
Other operating expenses	2	3 899	921
<b>Sum kostnader</b>		<b>3 899</b>	<b>921</b>
<b>Driftsresultat</b>		<b>8 400 222</b>	<b>-921</b>
<b>Finansinntekter og finanskostnader</b>			
Currency exchange gain		513 000	257
<b>Sum finansinntekter</b>		<b>513 000</b>	<b>257</b>
financial expense		817	590
<b>Sum finanskostnader</b>		<b>817</b>	<b>590</b>
<b>Netto finans</b>		<b>512 183</b>	<b>-333</b>
<b>Ordinært resultat før skattekostnad</b>		<b>8 912 405</b>	<b>-1 254</b>
Income tax (expense)	3	51 724	0
<b>Ordinært resultat etter skattekostnad</b>		<b>8 860 681</b>	<b>-1 254</b>
<b>Årsresultat</b>		<b>8 860 681</b>	<b>-1 254</b>
<b>Overføringer og disponeringer</b>			
Overføringer til/fra annen egenkapital		8 860 681	-1 254
<b>Sum overføringer og disponeringer</b>		<b>8 860 681</b>	<b>-1 254</b>



### Balanse

Beløp i: USD	Note	2021	2020
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investments	6	18 268 047	0
<b>Sum finansielle anleggsmidler</b>		<b>18 268 047</b>	<b>0</b>
<b>Sum anleggsmidler</b>		<b>18 268 047</b>	<b>0</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Andre fordringer	8	511	1 020
Konsernfordringer	7	555	0
<b>Sum fordringer</b>		<b>1 066</b>	<b>1 020</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Cash and cash equivalents	5	0	2 882
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>0</b>	<b>2 882</b>
<b>Sum omløpsmidler</b>		<b>1 066</b>	<b>3 902</b>
<b>SUM EIENDELER</b>		<b>18 269 113</b>	<b>3 902</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Share Capital	4	9 350 881	5 457
<b>Sum innskutt egenkapital</b>		<b>9 350 881</b>	<b>5 457</b>
<b>Opptjent egenkapital</b>			
Accumulated earnings		8 675 343	



## Balanse

<b>Beløp i: USD</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
Udekket tap			1 951
<b>Sum opptjent egenkapital</b>		<b>8 675 343</b>	<b>-1 951</b>
<b>Sum egenkapital</b>		<b>18 026 224</b>	<b>3 506</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Langsiktig konserngjeld	7	5 445	0
<b>Sum annen langsiktig gjeld</b>		<b>5 445</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>5 445</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			
Leverandørgjeld		2 552	0
Kortsiktig konserngjeld		234 884	396
Annen kortsiktig gjeld		8	0
<b>Sum kortsiktig gjeld</b>		<b>237 444</b>	<b>396</b>
<b>Sum gjeld</b>		<b>242 889</b>	<b>396</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>18 269 113</b>	<b>3 902</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2021 - GENERELL INFORMASJON

Journalnummer: 2022 183260

#### Enheten

Organisasjonsnummer: 923 778 098  
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årsregnskapet til selskapet: Forenklet IFRS

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Brønnøysundregistrene, 19.04.2022



Organisasjonsnr: 923 778 098  
CARBON TRANSITION INVESTMENT AS

## RESULTATREGNSKAP

Beløp i: USD	Note	2021	2020
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Change in fair value for investments	6	8 404 121	0
<b>Sum inntekter</b>		<b>8 404 121</b>	<b>0</b>
<b>Kostnader</b>			
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Organisasjonsnr: 923 778 098  
CARBON TRANSITION INVESTMENT AS

## BALANSE

Beløp i: USD Note 2021 2020

### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

#### Finansielle anleggsmidler

Investments	6	18 268 047	0
Sum finansielle anleggsmidler		18 268 047	0
Sum anleggsmidler		18 268 047	0

#### Omløpsmidler

##### Varer

#### Fordringer

Andre fordringer	8	511	1 020
Konsernfordringer	7	555	0
Sum fordringer		1 066	1 020

#### Bankinnskudd, kontanter og lignende

Cash and cash equivalents	5	0	2 882
Sum bankinnskudd, kontanter og lignende		0	2 882

Sum omløpsmidler 1 066 3 902

SUM EIENDELER 18 269 113 3 902

### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

Share Capital	4	9 350 881	5 457
Sum innskutt egenkapital		9 350 881	5 457

##### Opptjent egenkapital

Accumulated earnings		8 675 343	
Udekket tap			1 951
Sum opptjent egenkapital		8 675 343	-1 951

Sum egenkapital 18 026 224 3 506

#### Gjeld

##### Langsiktig gjeld

Annen langsiktig gjeld			
Langsiktig konserngjeld	7	5 445	0



Sum annen langsiktig gjeld	5 445	0
Sum langsiktig gjeld	5 445	0
<b>Kortsiktig gjeld</b>		
Leverandørgjeld	2 552	0
Kortsiktig konserngjeld	234 884	396
Annen kortsiktig gjeld	8	0
Sum kortsiktig gjeld	237 444	396
Sum gjeld	242 889	396
<b>SUM EGENKAPITAL OG GJELD</b>	<b>18 269 113</b>	<b>3 902</b>



Organisasjonsnr: 923 778 098  
CARBON TRANSITION INVESTMENT AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
1

**Regnskapsprinsipper**  
Note 1 i Annual report vedlagt

**Mer om årsverk og lønn**  
Det er ingen ansatte i selskapet

Sum Beløp

**Mer om ekstraordinære inntekter og kostnader**  
Det er ingen poster i regnskapet

Note

**Varige driftsmidler og immaterielle eiendeler**

Balansført verdi 31.12. Varige driftsmidler Immaterielle eiend.

**Anskaffelseskost - balansførte lånekostnader, egentilvirkede anleggsmidler**

**Goodwill spesifisert for hvert enkelt virksomhetskjøp**

**Avskrivningsplan for goodwill som er lenger enn fem år - begrunnelse**

**Mer om varige driftsmidler/immaterielle eiendeler**  
Det er ingen driftsmidler i selskapet

Note  
7

**Konsern, tilknyttet selskap m.v.**

**Investering som regnskapsføres etter egenkapitalmetoden**

**Konsernregnskap**  
Virksomheten inngår i konsolideringen til morselskapets konsernregnsk.: Ja

**Morselskapet sitt navn**  
Carbon Transition ASA

**Forretningskontor for morselskapet**



Askekroken 11,0277 Oslo

**Begrunnelse for at datterselskap er utelatt fra konsolideringen**

**Konsern, tilknyttet selskap m.v. - fordringer og gjeld**

**Fordringer**

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	555.00	0.00

<u>Samlet beløp - tilknyttet selskap</u>	<u>Årets</u>	<u>Fjorårets</u>
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**Annen langsiktig gjeld**

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	5445.00	0.00

<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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**Kortsiktig gjeld**

<u>Samlet beløp - foretak i samme konsern</u>	<u>Årets</u>	<u>Fjorårets</u>
	234884.00	396.00

<u>Samlet beløp - felles kontrollert virksomhet</u>	<u>Årets</u>	<u>Fjorårets</u>
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<u>Pantstillelse</u>	<u>Beløp</u>
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**Note**

8

**Fordringer**

**Fordringer som forfaller senere enn ett år etter regnskapsårets slutt**

**Mer om fordringer**

**Note**

6

**Virkelig verdi og resultatført verdiendr. i perioden, finansielle instrumenter**

**Mer om finansielle instrumenter**

**Beskrivelse av finansielle derivater**

Se note 6 i Annual report

**Note**



Beholdning av egne aksjer                      Antall                      Pålydende                      Andel av aksjek.

## Erverv

Endringer i beholdning av aksjer i løpet av regnskapsåret

## Avhendelse

Endringer i beholdning av aksjer i løpet av regnskapsåret

## Samvirkeforetak

Vedtektsbestemmelser/årsmøtevedtak/forslag til vedtak om medlemskapskonti

## Mer om aksjer

Det er ingen poster i regnskapet

## Note

## Gjeld

Gjeld som forfaller til betaling mer enn fem år etter regnskapsårets slutt

Gjeld sikret ved pant eller lignende sikkerhet i eiendeler

Balanseført verdi av de pantsatte eiendeler

Summen av garantiforpliktelser som ikke er regnskapsført

Garantiforpliktelser som er sikret ved pant

## Mer om gjeld

Det er ingen poster i regnskapet

## Note

Lån og sikkerhetsstillelse til medlemmer

Opplysninger om:

Medlemmer av:

## Mer om lån og sikkerhetsstillelse

Det er ingen poster i regnskapet

## Note

9

Noteopplysninger ut over minimumskravene for små foretak

Se note 9 Categories of financial instruments i Annual Report



Skatteetaten

Vår dato 05.12.2019	Din/Deres dato 08.11.2019	Saksbehandler Lars Waalorp
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 32212244
Org.nr 974761076	Vår referanse 2019/6696236	Postadresse Postboks 9200 Grønland 0134 OSLO

AXXIS GEO SOLUTIONS ASA  
Strandveien 50  
1366 LYSAKER

Att. Maiken Aalde

## Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til deres brev av 8. november 2019 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk for følgende selskaper:

<b>Axxis Production AS</b>	<b>org.nr. 823 324 642</b>
<b>Axxis Multi Client International AS</b>	<b>org.nr. 923 778 098</b>

Søknaden ble sendt til Skattedirektoratet. Skattedirektoratets myndighet til å treffe enkeltvedtak etter regnskapsloven § 3-4 tredje ledd ble delegert til skattekontoret med virkning fra 1. juni 2019.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering de overnevnte selskapene dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som danner grunnlaget for vedtaket ikke endres vesentlig.

Kopi av dette brevet må sendes til Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Den regnskapspliktige må selv dokumentere ved dette brev at tillatelse er gitt.

### Bakgrunn

Axxis Production AS og Axxis Multi Client International AS er 100 % eid av Axxis Geo Solutions ASA. Selskapene leier og driver skip som leverer tjenester innen havbunnsseismikk til norske og internasjonale kunder innen olje- og gassindustrien. Engelsk er selskapenes arbeidsspråk. Morselskapet er tidligere gitt tillatelse til å bruke engelsk språk i årsregnskapet og årsberetningen.

### Skattekontorets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen [...] være på norsk. Departementet kan ved [...] enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:



"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til "informative regnskaper for ulike grupper av regnskapsbrukere". Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har skattekontoret lagt særlig vekt på at selskapene er direkte eid av et selskap som også har tillatelse til å benytte engelsk. Videre er det vektlagt at selskapet driver virksomhet i en internasjonal bransje der alle sentrale aktører behersker og benytter engelsk.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Lars Waalorp  
seniorrådgiver  
Brukerdialog, brukerkontakt  
Skatteetaten

*Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.*



Organisasjonsnummer: 923 778 098  
Organisasjonsform: Aksjeselskap  
Stiftelsesdato: 10.10.2019  
Registrert i Foretaksregisteret: 06.11.2019  
Foretaksnavn: CARBON TRANSITION AS  
Tidligere foretaksnavn: AXXIS MULTI CLIENT INTERNATIONAL AS  
Forretningsadresse: Strandveien 50  
1366 LYSAKER  
Kommune: 3024 BÆRUM  
Land: Norge  
Aksjekapital NOK: 50 000,00  
Styre:  
Styrets leder: Ronny James Bøhn  
Liljeveien 15  
0586 OSLO  
Styremedlem: Per Nils Christian Haugestad  
Signatur: To styremedlemmer i fellesskap.  
Revisor: Godkjent revisjonsselskap  
Organisasjonsnummer 976 389 387  
ERNST & YOUNG AS  
Dronning Eufemias gate 6A  
0191 OSLO  
Vedtektsfestet formål: Innenfor den internasjonale geofysiske industrien i Ocean Bottom Node ("OBN") i det marine seismiske markedet. Selskapet skal sikre multi klient kontrakter og leie inn skip, personell og utstyr i forbindelse med utførelsen av kontraktene, samt annen tilknyttet virksomhet.



## Brønnøysundregistrene

Foretaksregisteret, Postboks 900, 8910 Brønnøysund  
Organisasjonsnummer: 974 760 673  
Internett: <http://www.brreg.no>

## Firmaattest

Telefon: 75 00 75 00

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Firmaattesten inneholder opplysninger registrert i Foretaksregisteret om et bestemt foretak identifisert med organisasjonsnummer.

Opplysningene omfatter forhold som er registrert i Foretaksregisteret pr. utskriftsdato.

Meldepliktige forhold som ikke er meldt, og som er i strid med det som er registrert, kan ikke gjøres gjeldende overfor tredjemann, med mindre denne kjente til eller burde kjent forholdet, jf foretaksregisterloven § 10-1.

Enhver har rett til å gjøre seg kjent med det som er registrert i Foretaksregisteret. Dette gjelder imidlertid ikke fødselsnummer.



# CARBON TRANSITION INVESTMENT AS ANNUAL REPORT 2021



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## BOARD OF DIRECTORS REPORT

### Operations and location

Carbon Transition Investment AS (referred to as the "Company") is a 100% owned subsidiary of Carbon Transition ASA (referred to as the "Parent").

The Company has during the year changed name to Carbon Transition Investment AS and the new strategy is to invest in companies and technologies which contribute to significant reductions of carbon emissions. The company may also invest more broadly in the "energy transition" space.

The Company has during 2021 three new investments. There was no activity in 2020.

The Company's registered office is at Askekroken 11, 0277 Oslo, Norway.

### Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern.

The revenue and cash flow from operations gives the Company adequate working capital for new investments and commitments. The liquidity risk will primarily be towards funding further growth, and the Board will not engage in growth plans which is not prudently funded either from the Company itself or from new equity raise through the Parent company, and thus, have the option to stop or delay such plans.

The Group prepares and maintains a rolling P&L and cash forecast, in addition to key balance sheet items (trade payables, long-term debt, and cash). In the Group's current forecast, cash and cash equivalents are expected to remain positive for the 12-month period following the 2021 financial statements.

The Group has sufficient working capital for covering the SG&A for 12 months. However, the Group will still be dependent on securing multi-client late sales, profit from the investments or secure new equity to invest further in multi-client and new strategic investments.

Management and the Board has used its best judgements in the evaluation of the going concern assumption. Management is of the opinion that the going concern assumption is appropriate and the accounts are prepared under the going concern assumption.

### Comments related to the financial statements

The financial statements are prepared and presented in accordance with simplified International Financial Reporting Standards («IFRS») approved ministry of finance 10 December 2019.

The notes are an integral part of the financial statements.

During 2021 the Company made three new investments, compared to 2020 where there was no activity.



The Company participated in Arbaflame AS` convertible bond on 14 July 2021 with a total of NOK 30 million. 17 December 2021 the convertible bonds were converted to common shares. The conversion constitutes 3 920 294 new shares in Arbaflame AS.

The Company participated in Power By BritishVolt Limited`s (BritishVolt) stock issue Series B on 30 September 2021 with a total of GBP 1 268 000, in addition to options agreement for new 100 000 shares at GBP 1 per share.

The Company participated in CO2 Capsol AS` private placement on 12 October 2021 with a subscription of 3 636 363 shares at a price of NOK 11 per share totaling NOK 40 million. The shares of CO2 Capsol AS was listed on Euronext Growth in Oslo on 20. December 2021. Year-end closing price was at NOK 24,795 per share which values the investment to NOK 90.2 million.

The non-current financial investments are treated at fair value through profit or loss. For 2021 changes in fair value resulted in gain of USD 8 404 121 for the Company.

In 2021, Carbon Transition Investment AS reported a profit after tax of USD 8 860 681, compared to a loss after tax of USD 1 254 in 2020.

The company give group contribution to the Parent company Carbon Transition ASA of USD 235 111.

The Company classifies the investment as non-current assets with fair value of USD 18 268 047.

The fair value of the investments by 31 December 2021 was as follows:

Arbaflame AS	USD 3.4 million
Power By BritishVolt Limited	USD 4.6 million
CO2 Capsol AS	USD 10.2 million

At year end, the Company had total assets of USD 18 269 113 with cash of zero, compared to USD 3 902 at the year end of 2020 with cash of USD 2 882.

As of 31 December 2021, the Company has total positive equity of USD 18 026 224 with equity ratio of 98,7% compared to positive equity of USD 3 506 at year end of 2020 with equity ratio of 89.9%.

The Company is part of the consolidated financial statements of the Group prepared on a historical cost basis. Contact the Parent company Carbon Transition ASA to get hold of the consolidated financial statement for 2021.

## **Risk**

The Company is exposed to risk factors including, but not limited to, the factors described below.

### *Market risk*

The Company is exposed to market specific and general economic cycles and macro-economic fluctuations, since changes in the general economic situation affect the demand for products and services provided by companies the Company invests in. Specific for the Company will be share price changes in listed investment or changes and fluctuation in estimated equity value for non-listed investments.



There is also a risk that the companies that are invested in will need further capital in order to obtain profitability, and that such capital will be subject to reduced pricing for various reasons compared to the current level of pricing.

#### *Credit risk*

The Company is faced with credit risk in terms of deposits with banks as well as receivables due from counterparts. The Company may also invest in financial credit instruments and may in such instances be assuming credit risk. Delayed or loss of payments from these parties may adversely impair the Company's liquidity. The Company evaluates the credit quality of its counterparts to minimize the risk of payment delinquency, but no assurance can be given that the Company will be able to avoid this risk. During 2021, the Company did not experience any material receivables losses.

#### *Liquidity risk*

Liquidity risk is the risk that the Company is not able to meet its payment obligations. The Company is dependent on liquidity from its investments, access to long-term funding and timely payments of receivables from customers. There can be no assurance that available funding sources are accessible when needed nor can there be any assurance that the Company will be able to raise new equity or access alternative sources of funds should this be required. The Company continuously monitors its cash receipts and payment obligations to ensure sufficient liquidity to meet operational needs.

#### *Foreign exchange risk*

The Company presents its consolidated financial report in USD, the functional currency for the Company and all subsidiaries. Currency exchange rates fluctuate for several reasons, including international balance of payments, economic and financial conditions, government intervention, speculation and other factors. The Company is primarily exposed to USD and NOK, and fluctuations in foreign exchange rates may therefore impact earnings. The Company is also exposed to GBP as a result of the investment of BritishVolt. The Company has not established hedging arrangements to mitigate the possible adverse effects of this exposure.

The revenue and cash flow from operations gives the Company adequate working capital for new investments and commitments. The liquidity risk will primarily be towards funding further growth, and the Board will not engage in growth plans which is not prudently funded either from the Company itself or from new equity raise through the Parent company, and thus, have the option to stop or delay such plans.

### **The working environment and personnel**

The number of employees in the Company is zero, and therefore no injuries or accidents have been reported.

The Company's policy prohibits unlawful discrimination against employees, on account of ethnic or national origin, age, gender, sexual orientation or religion. Respect for the individual is the cornerstone of this policy and the Company also aims to treat its employees with dignity and respect.

The Board of Directors consists of 1 man and 1 woman.

### **The Environment**

The commitment to the environment forms an integrated part of the Company's Health



& Safety Policy. As stewards of the environment, it is the collective responsibility of the Company and our people to protect the environments that we work in. Our Goal of zero harm to the environment was achieved in 2021 as we had zero environmental recordable incidents throughout our operations. The Company's intent is to conduct our business in harmony with the environment. Our goal is no damage to the environment; our challenge is to deliver this along with our services and products. Our Policies underscores our commitment to the environment and outline our responsibilities throughout our operations.

Our mission is to minimize our footprint wherever we work through the implementation of five key strategies at work locations:

- Minimization of waste by design and purchase.
- Managing waste output to follow best environmental practice.
- Guarding against accidental and operational pollution.
- Provision for mitigation of any accidental and operational pollution.
- Site remediation after operations

#### **Research and development**


The Company does no material research and development activity.

#### **Allocation of Net Profit (loss)**

The Board of Directors has proposed the net profit for the Company of USD 8 860 681 to be attributed to accumulated earning and other equity.

The Company's distributable equity as of 31.12.2021 is USD 8 675 343.

Oslo, 25 March 2022

  
Nils Haugestad  
Chairman

  
Nina Midtlie  
Board member



## FINANCIAL STATEMENTS

### STATEMENT OF COMPREHENSIVE INCOME

USD	Note	Full year 2021	Full year 2020
Changes in fair value for investments	6	8 404 121	-
Other operating expenses	2	(3 899)	(921)
<b>Total operating expenses</b>		<b>(3 899)</b>	<b>(921)</b>
<b>Operating profit (loss) (EBIT)</b>		<b>8 400 222</b>	<b>(921)</b>
Financial income		-	1
Financial expenses		(817)	(591)
Currency exchange gain (loss)		513 001	256
<b>Profit (loss) before tax</b>		<b>8 912 405</b>	<b>(1 254)</b>
Tax income (expenses)	3	(51 724)	-
<b>Profit (loss) for the period</b>		<b>8 860 681</b>	<b>(1 254)</b>
Currency translation adjustments		-	-
<b>Other comprehensive income (loss) for the period</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the period</b>		<b>8 860 681</b>	<b>(1 254)</b>



## STATEMENT OF FINANCIAL POSITION

USD

<b>Assets</b>	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Non current assets</b>			
Investments	6	18 268 047	-
<b>Total non current assets</b>		<b>18 268 047</b>	<b>-</b>
<b>Current assets</b>			
Receivables from group companies	7	555	-
Other current assets	8	510	1 020
Cash and cash equivalents	5	-	2 882
<b>Total current assets</b>		<b>1 066</b>	<b>3 902</b>
<b>Total assets</b>		<b>18 269 113</b>	<b>3 902</b>

USD

<b>Equity and Liabilities</b>	<b>Note</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Equity</b>			
Share capital	4	9 350 881	5 457
<b>Total paid-in capital</b>		<b>9 350 881</b>	<b>5 457</b>
Accumulated earnings and other equity		8 675 343	(1 952)
<b>Total equity</b>		<b>18 026 224</b>	<b>3 506</b>
<b>Non-current liabilities</b>			
Liabilities to group companies	7	5 445	-
<b>Total non-current liabilities</b>		<b>5 445</b>	<b>-</b>
<b>Current liabilities</b>			
Trade payables		2 552	-
Liabilities to group companies	7	234 884	396
Other current liabilities		9	-
<b>Total current liabilities</b>		<b>237 445</b>	<b>396</b>
<b>Total equity and liabilities</b>		<b>18 269 113</b>	<b>3 902</b>

Oslo, 25 March 2022

  
Nils Haugestad  
Chairman

  
Nina Middlie  
Board member



STATEMENT OF CHANGES IN EQUITY

USD	Share capital	Additional paid- in capital	Accumulated earnings	Total equity
<b>Balance as of 01.01.2021</b>	5 457	-	(1 952)	3 506
Profit (loss) for the period			8 860 681	8 860 681
Other comprehensive income (loss)	-	-	-	-
Converting of IC liabilities 1 Dec 2021	9 345 424	-	-	9 345 424
Given group contribution to the Parent compar	-	-	(183 386)	(183 386)
<b>Balance as of 31.12.2021</b>	<b>9 350 881</b>	<b>-</b>	<b>8 675 343</b>	<b>18 026 224</b>

USD	Share capital	Additional paid- in capital	Accumulated earnings	Total equity
<b>Balance as of 01.01.2020</b>	5 457	-	(697)	4 760
Profit (loss) for the period			(1 254)	(1 254)
Other comprehensive income (loss)	-	-	-	-
<b>Balance as of 31.12.2020</b>	<b>5 457</b>	<b>-</b>	<b>(1 952)</b>	<b>3 506</b>



STATEMENT OF CASH FLOW

USD	Note	Full year 2021	Full year 2020
Profit before tax		8 912 405	(1 254)
Depreciation and amortization		-	-
Changes in fair value for investments	6	(8 404 121)	-
Currency (gain)/loss without cash flow effects		(513 058)	-
Change in trade payables		2 552	(58)
Change in other current assets	8	(46)	(1 020)
Change in other current liabilities	7	(614)	396
<b>Net cash from operating activities</b>		<b>(2 882)</b>	<b>(1 936)</b>
<b>Cash flow from investing activities</b>			
<b>Net cash flow from investment activities</b>		-	-
<b>Cash flow from financing activities</b>			
<b>Net cash flow from financial activities</b>		-	-
<b>Net change in cash and cash equivalents</b>		<b>(2 882)</b>	<b>(1 936)</b>
Cash and cash equivalents balance 01.01		2 882	4 818
<b>Cash and cash equivalents balance 31.12</b>	5	<b>(0)</b>	<b>2 882</b>



## NOTES TO ANNUAL REPORT

### NOTE 1 ACCOUNTING PRINCIPLES

Carbon Transition Investment AS (the Company) is a 100% owned subsidiary of Carbon Transition ASA (the Parent). The Parent company has a strategy to invest in companies and technologies which contribute to significant reductions of carbon emissions. The company may also invest more broadly in the "energy transition" space. CARBN has a legacy seismic business operating under the name Axxis, with both an ocean-bottom seismic contract business and a multi-client data library.

The Company is a limited liability company in Norway. The Company's registered office is at Askekroken 11, 0277 Oslo, Norway.

There is no employees in the Company.

The financial statements of the Company were authorized by the Board of Directors on 25 March 2022.

The financial statements are prepared and presented in accordance with simplified International Financial Reporting Standards («IFRS») approved ministry of finance 10 December 2019.

The notes are an integral part of the financial statements.

The Company is part of the consolidated financial statements of Carbon Group prepared on a historical cost basis. Contact the Parent company Carbon Transition ASA to get hold of the consolidated financial statement for 2021.

#### **Going concern**

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern.

The revenue and cash flow from operations gives the Company adequate working capital for new investments and commitments. The liquidity risk will primarily be towards funding further growth, and the Board will not engage in growth plans which is not prudently funded either from the Company itself or from new equity raise through the Parent company, and thus, have the option to stop or delay such plans.

The Group prepares and maintains a rolling P&L and cash forecast, in addition to key balance sheet items (trade payables, long-term debt, and cash). In the Group's current forecast, cash and cash equivalents are expected to remain positive for the 12-month period following the 2021 financial statements.

The Group has sufficient working capital for covering the SG&A for 12 months. However, the Company will still be dependent on securing multi-client late sales, profit from the investments to invest or secure new equity to invest further in multi-client and new strategic investments.

Management and the Board has used its best judgements in the evaluation of the going concern assumption. Management is of the opinion that the going concern assumption is appropriate and the accounts are prepared under the going concern assumption.



**Presentation currency**

The Company presents its financial reports in USD. Functional currency for the Company is USD as all the majority part of expenses are nominated and paid in USD from January 1, 2020. For presentation in the accounts, the monetary assets and liabilities has been converted and translated into USD at the rate of exchange prevailing at the reporting date each quarter and historical value has been used for all other balance sheet items. The statement of profit or loss are converted and translated into USD at the average exchange rate for each quarter. Exchange rate differences arising from the translation to presentation currency are recognized in Other Comprehensive Income.

**Foreign Currency**

Transactions in foreign currencies are translated to USD using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in non-functional currencies are translated into functional currency spot rate of exchange ruling at 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 denominate in non-functional currencies are recognized in the income statement.

**Investment in financial assets at fair value through profit or loss**

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or at fair value through profit or loss, whereas the latter acquired principally for the purpose of generating a profit from fluctuation in prices is the most crucial for the Group. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Company indulges in investment in financial assets as part of its core business. The Company's non-current financial investments are characterised in addition to the Company's intention of sale, that this sale could typically be expected to occur within a two year time frame. The non-current financial investments are therefore treated at fair value through profit or loss.

All such instruments are classified as non-current financial investments, unless the Group exercises significant influence of the investment, in which case the investment will be classified as associate.

Current investments are considered part of a held for trading portfolio if they are acquired for the purpose of selling or repurchasing in the near term. These investments is subsequently measured at fair value in the statement of financial position with net changes in fair value recognized in the statement of profit and loss.

Investments subsequently measured at fair value over profit and loss in accordance with the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).



Net unrealised and realized gain/losses on the portfolio of investments is classified as operating income, while net unrealized and realized losses is classified as operating expenses.

In cases where an investment changes classification between associate and non-current financial investment either way, the investment is derecognized and recognized in its new classification based on its fair value as of time of derecognition/recognition. The highest level achievable according to the IFRS fair-value hierarchy will be applied.

## **Taxes**

### **a) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured using the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation are subject to interpretation and establishes provisions where appropriate.

### **b) Deferred tax**

Deferred tax is provided for using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted on the balance sheet date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

### **Cash flow statement**

The cash flow statement is presented using the indirect method. Cash and cash equivalents include cash at hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

### **Critical Accounting Judgements, Estimates and assumptions**

The Company makes estimate and assumptions concerning the future. The resulting accounting estimates could deviate from the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

### **Fair value evaluation**

The Company uses best estimates when there is no external source for the investments (like listed companies, new equity in the period etc). Each quarter the management evaluate the fair value for each investment and book the change through profit and loss. The management looks into news from the companies, plans and milestones achieved for each investments.



NOTE 1.1 IMPLEMENTATION OF SIMPLIFIED IFRS

The Company implemented simplified IFRS from January 1, 2021. The Company has not adopted any implication effects.



NOTE 2 OTHER OPERATING EXPENSES

USD

<b>Other operating expenses</b>	<b>2021</b>	<b>2020</b>
Audit	3 268	499
Other external services	631	422
<b>Total other operating expenses</b>	<b>3 899</b>	<b>921</b>



## NOTE 3 TAX

USD	2021	2020
<b>Specification of tax expense for the year</b>		
Current income tax (including withholding tax)	51 724	-
Change in deferred tax (income)	-	-
<b>Total tax expense</b>	<b>51 724</b>	<b>-</b>

### Reconciliation of actual against expected tax expense at the income tax rate of 22%

Profit before tax	8 912 405	(1 254)
22% tax	1 960 729	(276)
<b>Tax effect from:</b>		
Non taxable income	-	-
Other permanent differences	(1 908 505)	(80)
Not booked deferred tax asset	(500)	356
<b>Calculated tax expense for the Company</b>	<b>51 725</b>	<b>0</b>
Effective tax rate for the Company	58%	0%

### There are no taxes payables in the balance sheet

To offset the taxes payables the Company will:

Give Group contribution to the Parent company	51 724	-
<b>Total</b>	<b>51 724</b>	<b>-</b>

USD	2021	2020
<b>Deferred tax liabilities (assets)</b>		
Non current assets	-	-
Accumulated tax loss carried forward	-	2 272
<b>Temporary differences at 31.12.</b>	<b>-</b>	<b>2 272</b>
Deferred tax (liabilities) assets (22%)*	-	(500)

\* The company has evaluated the use of the loss carried forward and has not seen any firm possibility to utilize this loss, the deferred tax asset has therefore not been booked for 2021. This evaluation is performed regularly and at least once a year.



NOTE 4 SHAREHOLDERS

The company's share capital 31.12.2021 is as follows:	Number of shares	Value per share	NOK
Ordinary shares (one share = one vote)	1 000	84 650	84 650 000

**Paid/proposed dividend**

The Board has decided not to recommend a dividend for 2021.

**Ownership structure**

The company is 100% owned by Carbon Transition ASA (the Parent). Contact the Parent at Askekroken 11, 0277 Oslo, Norway to get hold of the consolidated financial statements..



NOTE 5 BANK DEPOSIT, CASH IN HAND

**USD**

<b>Bank deposits, cash in hand</b>	<b>2021</b>	<b>2020</b>
Bank deposits	-	2 882
<b>Total bank deposits</b>	<b>-</b>	<b>2 882</b>



## NOTE 6 NON-CURRENT ASSETS

USD		
<b>Non-current assets</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>Listed securities</b>		
CO2 Capsol AS	10 227 890	-
Listed securities	10 227 890	-
<b>Unlisted securities</b>		
Arbaflame AS	3 403 110	-
Power By BritishVolt Limited		
- Common shares	3 175 049	-
- Options	1 461 997	-
	4 637 047	
Unlisted securities	8 040 156	-
<b>Total non-current assets</b>	<b>18 268 047</b>	<b>-</b>

The Company has invested a total of USD 9.9 million with a fair market value at the end of the year of USD 18.3 million. This represents a gain of USD 8.4 million and a return of 85% on invested capital for 2021.

### CO2 Capsol AS

In October, the Company participated in CO2 Capsol AS' private placement with a subscription of 3 636 363 shares at a price of NOK 11 per share totaling NOK 39 999 993 a USD 4.7 million investment to help accelerate the company's growth efforts. The investment in CO2 Capsol marked the Company first investment into the carbon capture segment, a growth sector with a very substantial addressable market. CO2 Capsol's patented carbon capture technology has been developed into an internationally leading solution based on Hot Potassium Carbonate technology ("HPC technology"). The HPC technology offers the uniqueness of not having to use amine in the carbon capture process which is attractive for health reasons. In addition, CO2 Capsol's patented system offers an estimated 40% cost advantage relative to alternative processes.

In July 2021, Stockholm Exergi, Stockholm's waste-to-energy company, announced that it has decided to start the front-end-engineering-and-design («FEED») phase for a bio-carbon capture facility at one of its heat and power plants, which will capture the emitted CO2. CO2 Capsol's end of pipe solution was selected as the carbon capture technology for this facility. Subsequently, the company announced that it had signed collaboration agreements with Petrofac Limited, WOIMA Finland and Hitachi Zosen Inova. The company has also announced the decision to produce a mobile carbon capture unit CapsolGo™. The first test campaign for this product is planned for Q3 2022.

The shares of CO2 Capsol AS was listed on Euronext Growth in Oslo on 20 December 2021. Year-end closing price was at NOK 24,795 per share. The group has not changed its holding of 3 636 363 shares and the value of the investment based on closing price on 31 December



2021 is NOK 90 163 620,- The Group believes the closing price on 31 December 2021 represents fair value.

The investment in CO2 Capsol is valued based on IAS 34.16A Level 1, quoted prices in active markets. Year-end closing price was NOK 24.795 per share. The Company held 3,636,363 shares with a total value of USD 10.3 million (NOK 90.2 million).

#### **Power by BritishVolt Limited**

In September 2021, the Company invested approximately USD 1.7 million (NOK 15.2 million) in shares and an equal number of options in Power by Britishvolt Limited. In this Series B investment round, the Company joined forces with a solid investment group including Glencore, Cathexis Venture II and NG Bailey. Britishvolt is a UK developer, and future manufacturer, of lithium-ion cell chemistries and batteries for the rapidly accelerating electric car market.

Britishvolt Ltd. is a manufacturer of lithium-ion batteries for electric cars, established with the aim to meet the Electric Vehicle ("EV") battery demand in the UK & EU by 2023. In January 2022, the company announced a very substantial in-principle grant from the UK government via the UK Automotive Transformation Fund. In addition, the company announced a private debt funding agreement of GBP 1.7 billion with Tritax and abrdn for the building of the Northumberland Gigaplant shell and core as well as to develop the associated supplier park. Subsequently, the company has entered into a memorandum of understanding with the British performance car manufacturer Lotus. Additionally, Britishvolt has announced a joint venture with Glencore to develop a world-leading ecosystem for battery recycling in the UK.

The investment in Britishvolt is measured based on IAS 34.16A Level 2, inputs other than quoted prices. Fair value is based on comparable companies, analysis from financial advisors and information from the company. The Company values the investment at USD 4.6 million (NOK 40.9 million).

#### **Arbaflame AS**

In July 2021, the Company invested USD 3.4 million (NOK 30 million) in a convertible loan in Arbaflame AS.

17 December 2021 the convertible bonds were converted to common shares in accordance with terms in the original Convertible bond agreement of 4% premium and accrued interest. The conversion constitutes 3 920 294 new shares in Arbaflame AS at a total value of NOK 31 615 995. New number of total shares in Arbaflame AS is 82 298 407, giving the Company an ownership of 4,7%.

Arbaflame has spent a decade and invested approximately NOK 550 million in developing a patented technology which enables the production of black pellets from bio waste ("ArbaCore"). ArbaCore can fully replace coal in coal-fired power plants worldwide. When replacing coal with ArbaCore, Co2 emissions are reduced by approximately 90%. Moreover, coal-fired power plants can utilize ArbaCore in their existing plants with only minimal adjustments to the plants and related infrastructure, which also makes ArbaCore the superior economic choice. Through the same process of making ArbaCore pellets from bio waste, Arbaflame's technology is also able to extract high-value biochemicals with significant positive environmental impact and high earnings potential.

Arbaflame has recently completed construction of its first production facility in Kongsvinger, Norway (ArbaOne). The facility has an annual production capacity of 70 000 tons of ArbaCore pellets.



In November 2021, Arbaflame announced a letter of intent with the Ministry of Energy of Romania for a verification test program scheduled for the first half of 2022. Subject to a successful test program, the Ministry of Energy of Romania will grant Arbaflame a 10-year offtake agreement for 100 000 tonnes per year of ArbaCore pellets to be produced by a new Arbaflame production facility to be built in Romania. The agreement provides for further capacity expansion of two million tonnes per year (representing 20 ArbaNEXT plants), sufficient to replace approximately 10% of Romania's coal consumption

The investment in Arbaflame is measured based on IAS 34.16A Level 2, inputs other than quoted prices. Fair value is based on production milestones. The production at the Kongsvinger facility is still in ramp-up mode and we are therefore keeping the valuation at historical cost of USD 3.4 million (NOK 30.0 million).



NOTE 7 RELATED PARTY TRANSACTIONS

USD

<b>Current receivables group companies</b>	<b>2021</b>	<b>2020</b>
Carbon Transition ASA	555	-
<b>Total receivables group companies</b>	<b>555</b>	<b>-</b>

USD

<b>Non-current liabilities group companies</b>	<b>2021</b>	<b>2020</b>
Carbon Transition ASA	5 445	-
<b>Total non-current liabilities owners</b>	<b>5 445</b>	<b>-</b>

USD

<b>Current liabilities group companies</b>	<b>2021</b>	<b>2020</b>
Carbon Transition ASA	234 884	396
<b>Total liabilities group companies</b>	<b>234 884</b>	<b>396</b>



NOTE 8 OTHER CURRENTS ASSETS

USD

<b>Other current assets</b>	<b>2021</b>	<b>2020</b>
Other prepaid costs	510	1 020
<b>Total other current assets</b>	<b>510</b>	<b>1 020</b>



## NOTE 9 CATEGORIES OF FINANCIAL INSTRUMENTS

### USD

<b>Financial assets at amortized cost</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>ASSETS</b>		
Investments	18 268 047	-
Cash and cash equivalents	-	2 882
<b>Total financial assets</b>	<b>18 268 047</b>	<b>2 882</b>

<b>Financial liabilities at amortized cost</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
<b>LIABILITIES</b>		
Trade payables	2 552	-
Other current liabilities	9	-
<b>Total financial liabilities</b>	<b>2 561</b>	<b>-</b>

The Company's exposure to various risks associated with the financial instruments is discussed in the Board of Directors report. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

### Fair value

Due to the short-term nature of cash and cash equivalents, trade receivables and other current receivables, their carrying amount is considered to be the same as their fair value.

The carrying amount of trade and other payables is considered to be approximately the same as their fair values, due to their short-term nature. The Company does not hold any financial derivatives.



NOTE 10 EVENT AFTER THE BALANCE SHEET DATE

No material events occurred between the balance sheet date and the date when the accounts were presented which provide new information about conditions prevailing on the balance sheet date.



To the General Meeting of Carbon Transition Investment AS

## *Independent Auditor's Report*

### *Opinion*

We have audited the financial statements of Carbon Transition Investment AS (the Company), which comprise the statement of financial position as at 31 December 2021, statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements, and
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.

### *Basis for Opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by laws and regulations and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Information*

The Board of Directors (management) is responsible for the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the other information. The purpose is to consider if there is material inconsistency between the other information and the financial statements or our knowledge obtained in the audit, or whether the other information appears to be materially misstated. We are required to report if there is a material misstatement in the other information. We have nothing to report in this regard.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no  
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



Independent Auditor's Report - Carbon Transition Investment AS



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*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with simplified application of International Accounting Standards according to the Norwegian Accounting Act section 3-9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

Oslo, 25 March 2022  
**PricewaterhouseCoopers AS**

Martin Alexandersen  
State Authorised Public Accountant

(This document is signed electronically)

(2)



 Securely signed with Brevio

## Revisjonsberetning

### Signers:

<i>Name</i>	<i>Method</i>	<i>Date</i>
Alexandersen, Martin H	BANKID_MOBILE	2022-03-25 15:45

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