

CarbonCuts

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How do we commercialize and scale storage projects?

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About CarbonCuts

History and Ownership

- Founded in 2022 - 100% owned by BlueNord from 2024*
- Initiated with focus on Ruby License

Ruby Project

- Exploration License awarded by the Danish State in 2024
- 20% Ownership stake by Danish State (Nordsøfonden)
- Ambition for 1,5mtpa CO2 storage
- License period fully funded by BlueNord

Ambition

- To evaluate, prove and operate a successful, environmentally and economically sustainable CO2 storage project
- Contribute to develop portfolio of storage facilities

Priority

- Establishing the technical and operational feasibility of CO2 storage projects
- Providing the best possible carbon storage solution

**) Ongoing merger between BlueNord and Vår Energi, subject to approval*



Project Ruby – License area

- Well located to receive CO₂ from the Baltic sea region
- Potential to construct receiving terminal for import of CO₂ for storage or utilisation in green fuels
- Potential for import of CO₂ via ship and/or train, for both local and local international emitters
- Potential for import of CO₂ via truck for local emitters
- Significant existing infrastructure in the area for use in a CO₂ storage project
- Supportive regulatory framework



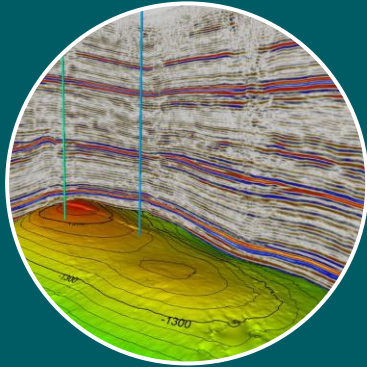
Project Ruby milestones to date

Milestone 0



CarbonCuts and Nordsøfonden were granted an exploration license in June 2024 to explore the opportunity to establish a safe and efficient CO₂ storage. The license includes a detailed work program for the subsurface in southern Lolland.

Milestone 1



In February 2025, CarbonCuts carried out what was, at the time, Denmark's largest onshore 3D seismic survey. Using more than 32,000 geophones and several vibro-trucks, data was collected from an area of 220 km². This provided a high-quality image of the subsurface composition.

Milestone 2



In February 2025, CarbonCuts reopened the old Rødby-2 exploration well near Næsbæk. We reached a depth of approximately 1,650 meters and obtained important information about the condition of the well and the geological layers. In the second half of 2026, CarbonCuts closes the well and restores the field.

Milestone 3



In September-October 2025, CarbonCuts installed six seismic monitoring stations to monitor the subsurface in the survey area together with GEUS. In 2026, these were upgraded to six permanent monitoring stations.

Milestone 4



In October 2025, CarbonCuts began drilling the Rødbyhavn-1 exploration well. The top hole was drilled to a depth of approximately 40 meters, and a casing was installed. In 2026, a drilling rig is mobilized to drill the 2,000-metre exploration well, which will provide crucial data on the subsurface and its potential as a CO₂ storage site.

Latest Advances in Ruby

- Containment, Injectivity and Capacity of the Rødby reservoir will be assessed by drilling into it
- **“Spud Date” 12-09-26;** tomorrow the drilling bit will touch ground for the first time – then drill for many weeks.
- A well of **over 1,8km depth** will be drilled, constructed and used for exploration tests
- Results from **Rødbyhavn-1** then kickstart the development of Project Ruby with firm subsurface knowledge.



The commercial path – The Ruby way



Introduction

Parallel to actively delivering the Exploration Work Program, CarbonCuts is maturing the Commercial Development Plan.

Efforts to Date:

- › Screening emitters across industries and borders
- › Understanding ability to pay across the valuechain
- › Close engagement with Danish emitters for CCS Fund
- › Contact with Transport providers and aggregators
- › Monitoring regulatory progress



Key takeaways

1

There is a **significant addressable market +10mtpa CO2 by 2030 in DK and S alone**

2

The majority of **carbon capture projects face uncertain timelines** pending clarity on revenue streams, e.g., public subsidies and sale of carbon dioxide removals (CDRs)

3

A challenge is to distribute **operational and financial liabilities** among partners. Visualized under latest CCS Fund rules.

4

Because emitter segments rely to some degree on different revenue streams, **a diversified customer portfolio can reduce concentration risk**

How to Commercialize a CCS Storage Project



1 Single- or Multi-Emitter Storage Agreements

RATIONALE Contract mid- or long-term revenue with offtake agreements for one or multiple emitters.

RISK High dependency in timeline and delivery; limited flexibility.



2 Minimum contracted base + 'spot' capacity

RATIONALE Combine base-load revenue certainty with shorter-term customer optionality.

RISK Uncontracted-capacity bankability



3 Storage-operator partnerships

RATIONALE Extend reach and back-up capacity

RISK Aligned terms and incentives; capacity availability; liability and confidentiality, competition rules.



4 CO₂ hub connection

RATIONALE Access pooled volumes and shared transport infrastructure, e.g., in Kalundborg and/or Malmö.

RISK Costs of total value chain; hub timing; hub ownership and margin sharing; project-on-project risk; technical compatibility.



5 Delegated marketing

RATIONALE Use carbon aggregators or other storage owners while reducing own role.

RISK Less customer control; margin sharing; contractual interfaces and counterparty dependence.

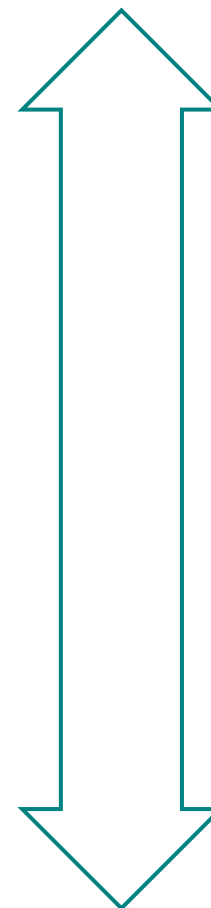


6 Blank – to be developed

RATIONALE Blank

RISK Blank

Elements impacting the Maturation of the CCS Value Chain



- Dependency on maturation of all elements in parallel
- Further alignment and development across all levels is required to achieve project execution.



Eventually carbon can be stored permanently and safely – at scale.