June 2026: Letter to shareholders

Dear All.

As many of you already know, we have up to quite recently focused on developing and stabilising our process, which is a prerequisite in order to define a consistent and well-defined carbon powder. This has been paramount, as process control in terms of predictability and repeatability is in fact fundamentally important as the basis for defining product quality. However, this has been a time-consuming and complicated exercise, and has always been a challenging message to communicate.

We made however significant progress last year, and from early 2026 we have matured the process beyond this stage, having defined what we call a 'BCS baseline CNT quality' that we are consistently able to produce.

In addition, we are obtaining test results from our internal battery laboratory on some very relevant battery chemistries. Here we are comparing battery coin cell performances using BCS CNT against other commercial CNT's.

It is important to highlight that what we do is genuine 'hardcore technology development' – developing a unique product from a unique process for the first time. As in all new technology development processes – exact forecasting is indeed a challenge.

As a whole, we are now able to articulate a unique product, defined as BCS CNT, -and to communicate its uniqueness, its qualities and its performances.

In order to summarize our BCS CNT powder quality we can say we have a few particular features which makes our product unique, and not directly comparable to commercial fossil 'Chinese' CNT' that has been the basis for our earlier comparison.

In terms of size we make something larger, with a different structure. It's very fluffy with certain distinct favorable characteristics. An overall combination of particular properties that is rarely achieved together.

So in short, we make something unique – which we believe will add value in terms of enhancing performance for certain battery applications.

Among our findings, we have identified the following main areas of particular interest;

- Li-Sulphur batteries. Now verified from external tests both in Norway and in academic institutes in Poland. Further verification testing is ongoing at IFE based on pouch cells.
- High silicon loaded anodes. Tests currently being undertaken.
- Dry electrodes. Tests are currently being planned.

We are communicating our uniqueness openly– and testing our CNT powders with industrial companies both in Europe and in Asia. The reasons for testing vary between these companies as there are several potential areas across the battery chemistries where our BCS CNT can add value. Further product development together with relevant customers in order to tune the performance, will be important going forward.

What we have seen so far from our internal tests;

- Our coin cell battery tests show LFP results in between SWCNT and Carbon Black. These results are 'as expected' and is a good benchmark that we are executing our test regime correctly.
- Our initial Li-S tests show excellent results with a substantial improved performance compared to conventional MWCNT.

The Norwegian patent application for the separation process is expected to be received this summer. This is now publicly available information. In addition, promising work is ongoing well with additional patent initiatives.

On the geopolitical situation, we see a step change in interest as the emphasize on local battery value chains receives notably increased focus. This is in particular directed towards the strategic supply of critical raw material for batteries within the defense industry. Our ability to produce CNT in 'our back yard', adds considerable weight in addition to our sustainable CCU capability.

In summary I would say we are very well positioned within the geopolitical battery value chain now being established- in an exciting market where global demand for batteries according to Rethink Energy is expected to grow from 1.5 TWh today to around 8 TWh in 2040. This battery market will be a blend of different chemistries for different applications, and we believe each of these market segments will be significant, with a role for BCS to play.

As such, we have been invited to participate in a new development program organized by IFE (with funding from the Research Council of Norway) towards establishment of a Nordic battery value chain towards the defense industry in general, and towards drones in particular. Security of locally produced critical raw material is the focus, where development and large-scale production of CNT is included.

The overall market picture remains clear; developing a European battery value chain with less reliance on Asia is increasingly critical;

- Europe cannot be the assembly platform for Chinese technology
- China dominates the global supply chain and process capacity for battery graded Graphite - creating an unacceptable geopolitical dependency. Defined by NATO as a highly defense-critical supply chain
- Strategic security and European production will for certain materials and applications outweigh cost
- Batteries for military purposes specified now to be 'Made in Europe'
- The emerging Norwegian battery supply chain clearly articulates a clear shift in strategy from conventional products towards 'unique products for niche markets'.

As a final note, we continue to optimize and strengthen our organization and further reduce our burn rate which is around half of what it was 2 years ago. Today we are less than 20 people, with a highly relevant background.

On the 17th June I joined Norne Securities's podcast 'Bak Tallene'. You can listen to the podcast here: https://bergencarbonsolutions.com/articles/podcast-from-norne-securities-featuring-odd-stromsnes

With these words, I would like to thank you all for your support – and your patience. Again, establishing a completely new technology in a highly competitive and fast growing market – with local supply chains not yet defined – right in the center of the geopolitical hot-pot, – is challenging, but extremely interesting.

I wish you all a nice, sunny and calm summer.

Odd Strømsnes
Chief Executive Officer