AKER

Aker ASA Annual Report

2020

Content

Financial calendar 2021

Aker reserves the right to revise the dates.

Annual General Meeting:	28 April
Announcement of 1Q 2021:	7 May
Announcement of 2Q 2021:	16 July
Announcement of 3Q 2021:	5 November

This is Aker

Aker turns 180 years in 2021. Since its establishment in 1841, the company has been a driving force for the development of internationally focused, knowledge-based industry in Norway.

> Aker is the largest shareholder, directly or indirectly, in 13 companies listed on the Oslo Stock Exchange, Euronext Expand Oslo or Euronext Growth Oslo.

Aker ASA (Aker) is an industrial investment company that exercises active ownership to create value for its shareholders and society at large. Aker combines industrial expertise with knowledge of the capital markets and financial strength. In its capacity as owner, Aker helps to develop and strengthen its portfolio of Aker companies, working through the boards of the portfolio companies to drive strategy development, operational improvements, financing, restructuring and transactions.

Aker's ownership interests are concentrated in the oil and gas, renewable energy and green technologies, maritime assets, and marine biotechnology sectors. The investments are divided into two portfolios:

The **industrial holdings** are strategic assets and are managed with a long-term perspective. They comprise Aker's ownership interests in Aker BP, Aker Energy, Aker Solutions, Akastor, Aker Horizons, Ocean Yield, Aker BioMarine and Cognite.

The **financial investments** comprise cash and other assets. The portfolio includes the listed companies American Shipping Company, Philly Shipyard, REC Silicon (transferred to Aker Horizons in January 2021) and Solstad Offshore, in addition to the real estate company Aker Property Group.

Size

Aker is the largest shareholder, directly or indirectly, in 13 companies listed on the Oslo Stock Exchange, Euronext Expand Oslo or Euronext Growth Oslo at the end of March 2021. Aker and companies in which Aker is the largest investor had a total turnover of more than NOK 75 billion in 2020, and a workforce of approximately 28 000, including temporary hires. About 17 000 of the workforce is located in Norway.

Net Asset Value (NAV) growth is a key performance indicator for Aker ASA and holding companies. As at 31 December 2020, NAV amounted to NOK 53.4 billion, compared to NOK 50.0 billion one year prior. In addition, a dividend of NOK 1.75 billion was paid in 2020.

Ownership

Since its re-listing on the Oslo Stock Exchange on 8 September 2004, Aker has generated an average annual return of 27 per cent as per 24 March 2021, including dividends. At the beginning of 2021, Aker had 18 939 shareholders. Aker's main shareholder is Kjell Inge Røkke, who owns 68.2 per cent of Aker through his company TRG Holding AS. Through a private company, CEO Øyvind Eriksen owns 0.2 per cent of the B-shares in TRG Holding AS, as well as 219 072 shares in Aker ASA.

Highlights 2020

Shareholder return:

+7 per cent

The Aker share price increased from NOK 543.50 to NOK 560 during the course of 2020. Including dividends of NOK 23.50 per share in total, the shareholder return totalled 7.4 per cent. The NAV stood at NOK 718 at year-end 2020, up from NOK 673 at the end of 2019. Including dividends paid in 2020, value growth totalled 10.3 per cent. The Oslo Stock Exchange's benchmark index – Aker's benchmark – rose by 4.6 per cent in 2020.

Aker Horizons:

Green commitment

In July 2020, Aker established Aker Horizons, a growth platform for investments in companies within renewable energy and green technology. The first building blocks was 51 per cent ownership in both Aker Carbon Capture and Aker Offshore Wind, after the spin-off from Aker Solutions. In the first quarter of 2021, the portfolio was expanded with the acquisitions of Mainstream Renewable Power, Rainpower, and listing of Aker Clean Hydrogen.

Cognite:

New partners

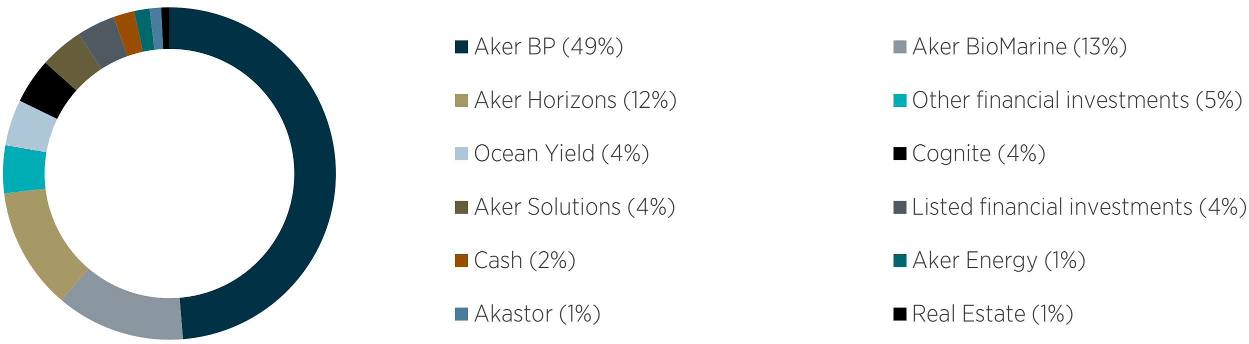
Accel, one of the world's leading venture companies within technology and software, became a minority owner and partner in Cognite in 2020. Accel has expertise and experience that will contribute to further scaling and commercializing Cognite's products, especially its core product Cognite Data Fusion (CDF). Cognite also entered into a global partnership agreement with Microsoft through which the CDF platform will be fully integrated into Microsoft Azure. In Saudi Arabia, Saudi Aramco and Cognite entered into a joint venture agreement, with 51 per cent and 49 per cent ownership, respectively, to establish a company that will contribute to digitalization in Saudi Arabia and the region at large.

Aker BioMarine:

Listed krill

Aker BioMarine was listed on Euronext Growth Oslo in July 2020, bringing significant underlying values in Aker into light. Aker owns 78 per cent of the shares in Aker BioMarine, and the value of the share investment was NOK 8 billion at the end of 2020. This is a value increase of NOK 5.6 billion from the previous year. The biotechnology and krill company develops, markets, and sells krill-based ingredients and products for aquaculture, pets and humans and has taken an international leading position in sustainable fishing. In 2020, Kori was launched as Aker BioMarine's own brand and omega-3 supplement to consumers in the United States.

Distribution of Aker's NOK 63.9 billion gross asset value as at 31 December 2020



Key performance indicators

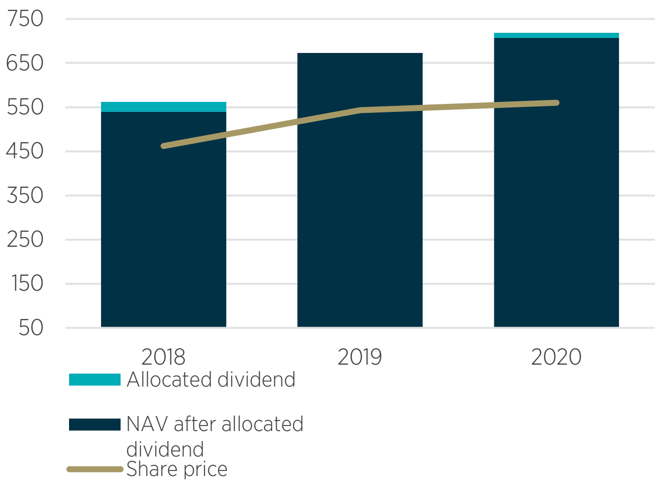
Aker's key performance indicators are net asset value growth and shareholder returns (share price and dividends).

Net Asset Value (NAV) expresses Aker's underlying financial value and provides the basis for the company's dividend policy (two to four per cent of NAV per year). The NAV is calculated based on the market value of listed shares, most recent transaction value for non-listed assets subject to material transaction with third parties, while book value is used for other assets.

Due to the extraordinary situation resulting from the COVID-19 pandemic, oil price collapse and volatile capital markets, the Board of Directors in March 2020 proposed that the General Meeting did not approve a dividend distribution for 2019, but authorised the Board to adopt a dividend based on the 2019 annual accounts. Based on the authorisation, a dividend of NOK 11.75 per share was distributed in July 2020 and NOK 11.75 per share was distributed in November 2020. In 2021, the Board proposes an ordinary dividend for 2020 of NOK 11.75 per share, and that the General Meeting authorises the Board to adopt an additional dividend during 2021 based on the 2020 annual accounts.

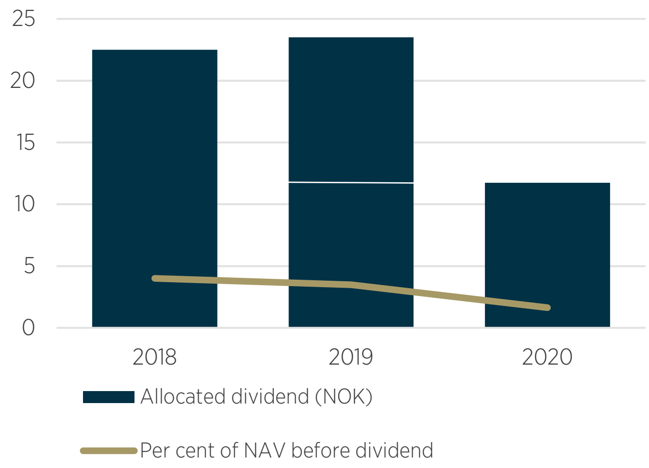
NAV per share

NOK per share



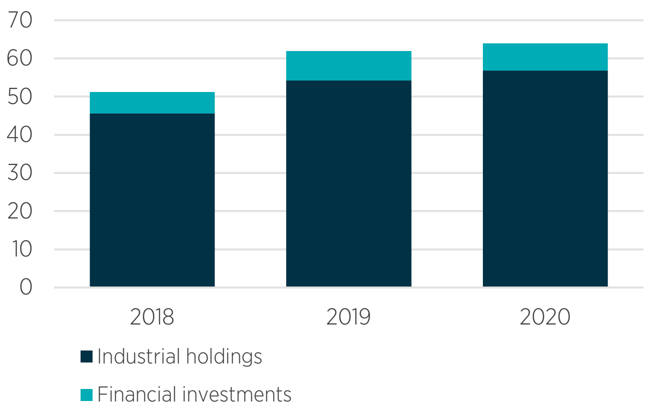
Dividend per share (see comments above)

NOK per share and per cent of NAV



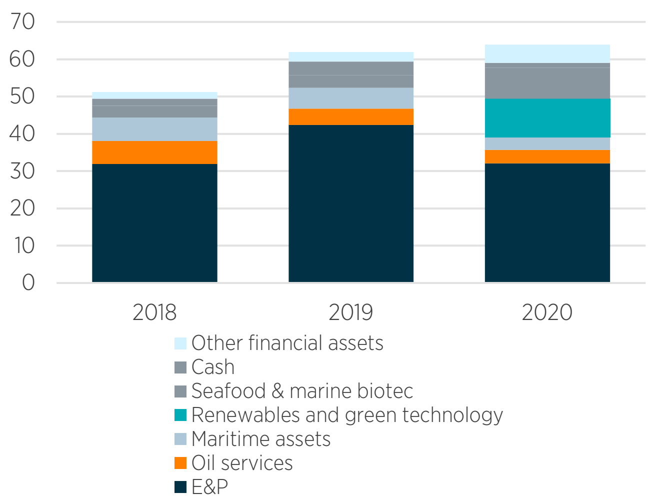
Gross assets per business segment

NOK billion



Gross assets per sector

NOK billion



Changes in net asset value

Net Asset Value (NAV) totalled NOK 53 354 million at year-end 2020, compared to 49 974 million last year. This equates to a NAV-per-share of NOK 718. The following tables show the exposure and composition of Aker's NAV per share.

Net asset value development – Aker ASA and holding companies

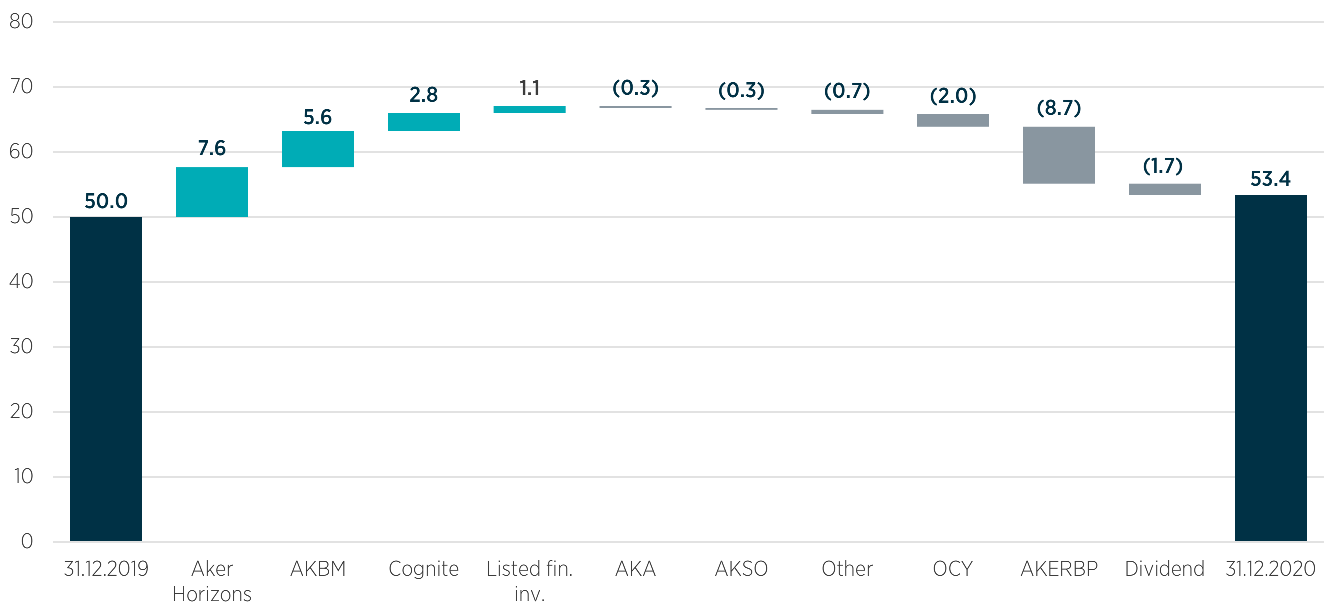
NOK million

	2020	2019
Dividends received	**2 341**	3 482
Operating expenses [1]	**(270)**	(267)
Other financial expenses	**(589)**	(597)
Tax expense	**-**	-
Total	**1 482**	2 619
Dividend payments	**(1 745)**	(1 671)
Sale/(purchase) of treasury shares [2]	**(7)**	14
Value changes [3]	**3 645**	7 269
Change in net asset value	**3 375**	8 230
Net asset value before dividend allocation	**53 354**	49 974

1) Excluding depreciation
2) Bonus shares/own shares
3) Value changes include depreciation and write-downs of fixed assets, and sales gains

Change in net asset value

NOK billion



Net asset value

		As at 31.12.2020		As at 31.12.2019	
	Ownership	NOK per share	NOK million	NOK per share	NOK million
INDUSTRIAL HOLDINGS					
Aker BP	40.0%	419	31 143	559	41 486
Aker Solutions	33.3%	36	2 699	31	2 338
Akastor	36.7%	10	712	13	1 000
Kvaerner	-	-	-	12	859
Aker BioMarine	77.8%	108	8 006	32	2 363
Ocean Yield	61.7%	39	2 869	70	5 187
Aker Energy	50.8%	13	957	12	925
Cognite	62.0%	38	2 816	1	42
Aker Horizons	100.0%	102	7 591	-	-
Total Industrial Holdings		**765**	**56 793**	**730**	**54 200**
FINANCIAL INVESTMENTS					
Cash		18	1 303	50	3 715
Listed financial investments		32	2 377	12	917
Real estate		7	508	8	603
Other financial investments		40	2 964	34	2 498
Total Financial Investments		**96**	**7 153**	**104**	**7 733**
Total value-adjusted assets		**861**	**63 945**	**834**	**61 934**
External interest-bearing liabilities		(139)	(10 351)	(157)	(11 629)
Interest-free liabilities before allocated dividend		(3)	(240)	(4)	(330)
Total liabilities before allocated dividend		**(143)**	**(10 591)**	**(161)**	**(11 959)**
NAV before allocated dividend		**718**	**53 354**	**673**	**49 974**
Net interest-bearing debt			(7 211)		(6 701)

Dear Fellow shareholders,

> The year left us with learnings on which to build and drive further value creation in both existing and new parts of the Aker portfolio.

Looking back on 2020, with all its surprises and challenges, it also turned out to be a year of opportunity in ways we could hardly have imagined as we entered the new decade. I am deeply impressed by how Aker's portfolio companies, with employees, business partners and customers, weathered the storms and came together in an unparalleled effort. It turned into an extraordinary endeavour that led to a transformation of the Aker group through the most challenging times in recent memory. The year left us with learnings on which to build and drive further value creation in both existing and new parts of the Aker portfolio.

When the pandemic hit, Aker and our portfolio companies were suddenly faced with an unprecedented intersection of emerging and existing risks: securing jobs and employee wellbeing while simultaneously reeling from a collapse in oil prices and economic uncertainty – all while managing megatrends that require adaptability, resilience, and skill to remain relevant in the long-term. We asked ourselves: how can we tap into our 180-year history as industry builders to innovate, be a responsible employer and active owner through a time of crisis, and ensure profitable operations that both secure jobs and create value in a new market reality and outlook? The result is a year that ended with an all-time high net asset value.

As the virus spread and oil demand and prices plummeted, extraordinary measures were quickly implemented across our portfolio companies. I am deeply impressed with the collaborative efforts to protect our workforce and adapt to a new normal. Management teams regrouped to respond around the clock to one of the gravest disruptions in recent memory and employees put in a tremendous effort to adapt to uncertainty, working from home, social distancing and isolation. A year later and we are still not out of the woods. Cases of Covid-19 are surging, and many experts are also increasingly raising concerns over the potential long-term impact on mental health – problems that could far outlast the virus. Employee health, safety and wellbeing remain at the top of Aker's managements' and boards' agendas.

Accelerated transition for sustainable growth

The pandemic and the collapse in the oil price and demand that hit in the first half of the year opened up for new business opportunities and a window to accelerate our ongoing transition to more sustainable business segments. A strong financial position with low gearing, strong liquidity and cash allowed us to seize opportunities under highly uncertain market conditions. This was coupled with the temporary tax changes implemented in June that strengthened E&P companies' investment capacity and quickly unlocked new field development projects. It contributed to not only higher activity and increased value creation, but also allowed for a structured transition where we maintained the capabilities of Norway's world-class offshore supplier industry – an industry hit especially hard by the pandemic. We were, and still are, firm in our belief that it is on the shoulders of today's skilled service workers and engineers that we will succeed in making a green energy transition.

This was our starting point of what has become the second largest asset in our portfolio and among our strongest growing platforms for future value creation. And it's been full speed ahead since then. Aker Horizons now consists of a four platform companies, including Aker Offshore Wind, Aker Carbon Capture, Mainstream Renewable Power and Aker Clean Hydrogen, as well as a portfolio of companies which represent a promising opportunity space, including within hydropower and transmission technology. Aker Horizons' 'energy vision' is to create green value chains for a zero-emission society. This includes having a strong position across 1) energy production, such as wind and solar and converting intermittent renewable energy to baseload, 2) energy transmission, including innovative grid and power transmissions technology and lastly, 3) energy use, including capturing GHG emissions using carbon capture and replacing fossil fuels through clean hydrogen and green ammonia.

Focused and targeted strategies

The changes made in 2020, is not so much an execution of a diversification strategy as it is a timely transition into new industry segments. At the beginning of the year, oil and gas-related assets made up nearly 80 per cent of Aker's portfolio. The pandemic placed the oil and gas industry in a fast-forward scenario, where a sector that is used to volatility and is cyclical by nature, underwent a more rapid and collective grappling with how to act, redefine strategies, diversify operations, and redeploy capital. Aker BP remains Aker's largest asset and will continue to play an important role in our portfolio going forward. More important than ever is that the company focuses its future-oriented strategy on the Norwegian Continental Shelf and that its growth contributes to maintaining low cost, low emissions, and continued strong upstream cash contribution. With these elements in place, Aker BP remains an important and attractive value and liquid investment in Aker's portfolio as we carve out our path forward in the energy transition.

These kinds of 'focus discussions' are ongoing in many parts of the Aker portfolio. Following the merger with Kvaerner, Aker Solutions is increasingly concentrating on becoming a digitalized engineering company for both the oil and gas and the renewable energy industry. This includes exploring how the service offering can be even more focused and targeted going forward. While not necessarily a strategic shift, it's an opportunity to leverage the digitalization and software capabilities in other parts of the Aker group to differentiate itself in a competitive global supplier market. Discussions and actions like these will likely be the key enabler of success as the industry's wheat is separated from the chaff.

Organizations forming a stable backbone

The digital ecosystem in Aker is itself expanding rapidly. Built on the Cognite Data Fusion (CDF) platform, Aker's digital ecosystem is set up grow with contributions from external customers and partners that provide data and applications. A good smartphone has a stable operating system and hardware. While you don't need to predict all the applications it will have from day one, it needs a stable platform to add new inventions and capabilities without having to reinvent or replace the backbone itself. CDF is this stable backbone for Aker's future growth within software and industrial digitalization more broadly. Through the CDF technology, we can attract both partners and customers, but also have a starting point for new business opportunities, such as our new industrial software application company Aize. Going forward, we expect accelerating growth and allocation of resources to our software segment as we move towards enabling companies to digitalize and integrate their entire industrial value chain.

Cognite is addressing a massive market opportunity and has a product that is set up for global growth. However, the company would not have seen its remarkable growth and success over the last four years without a strong organization and leadership. As Henry Ford once said: "Coming together is a beginning; keeping together is progress; working together is success." With John Markus Lervik at the helm, the company has had an unwavering commitment to attract top quality candidates to every part of the organization. This is the 'secret sauce' that has brought Cognite and CDF, but also Aker, to where it is today. I am sure that Aker's 180-year old history would have turned out quite differently without a relentless focus on attracting top talent. A small, but highly skilled organization is our stable backbone. That is why helping to form and strengthen the organizations in other parts of the portfolio is currently at the top of our ownership agenda. In 2020, Aker Horizons' companies came together; in the months that followed, they have made tremendous progress; going forward, it will need to form solid management teams and organizational platforms that work together to drive both organic and inorganic growth. Its platform already places the company well on its way to reaching its energy vision. It now needs to build robustness to handle volatile market fluctuations natural to the industries in which it operates.

Partnerships for growth

Partnerships are already an integral part of the way we do business. For decades, we have leveraged a combination of transactions and strategic, collaborative efforts to grow and create value. Finding solid, long-term partners with complementary capabilities is a cornerstone of our strategy going forward. The great collaboration with BP as fellow shareholders in Aker BP is an example of the strategy put to life and that has also inspired us to pursue new partnerships. In the last year, we formed important partnerships with Accel, Microsoft, Yara and Statkraft. Coupled with M&A activity, these collaborations allow us to build stronger and more competitive companies, building skill and leveraging complementary capabilities for growth.

On the more personal level, I continue to experience the importance of a well-functioning, long-term partnership through my work with Kjell Inge. This year marks 25 years of working together. Over the last 12 years as President and CEO, I have had the pleasure – and challenge! – of putting his visions into life. He is undoubtably full of ideas and inspiration, but even more importantly, he is a unique main shareholder that is actively involved in business decisions. This involvement provides an anchoring and implementation ability that is unique and different from any other active ownership structure.

A transformative time to prosper

This year marks Aker's 180th year of industrial pioneering. Over decades, the company has evolved in pace with shifting market trends, technologies, regulations, and customer preferences. Today, the ESG considerations are also high on that agenda. From a mechanical workshop to shipbuilding. From offshore construction, oil field services and exploration and production of oil and gas to renewable energy and industrial software. Each transformational change and new business opportunity has been built on the shoulders of existing capabilities. Each venture is based on being complementary, rather than in conflict with existing Aker businesses. When managed and balanced properly, we can make changes with acceptable risk tolerance and without compromising value creation.

This time last year, shortly after the first lockdown, I wrote in my quarterly shareholder letter that I thought we might look back on the pandemic and its widespread repercussions and see that it triggered fundamental changes to our portfolio and industrial activities more swiftly than envisioned – and, as a result, create an even more prosperous Aker. Today, I can rest assured that my predictions held true, but I am also be reminded about why we have been so occupied by building robustness, resilience, and optionality, both at the Aker level and in each portfolio company. As 2020 exemplified, we are prepared for rainy days. Our umbrella remains a solid financial position with low debt ratio, predictable upstream cashflow, maintaining a liquid portfolio of assets and well performing industrial holdings with focused strategies and strong organizations that enable us to weather the storms. While we are full speed ahead, we do not waver from our core strategy: provide attractive cash dividend to our shareholders and pursue value accretive opportunities for long-term value creation.

Øyvind Eriksen

Øyvind Eriksen, President and CEO


AKER

In memory of Finn Berg Jacobsen

18.06.1940 - 13.02.2021

A cornerstone of the Norwegian business community is gone. Finn Berg Jacobsen passed away on 13 February 2021 at the age of 80. Through his active retirement life, Aker has had the pleasure of Finn's strong work ethic, wealth of knowledge and wisdom, and his deep compassion for the people around him. Finn was the deputy chairman of Aker ASA's board, chairman of the Audit Committee, chairman of Aker Scholarship's academic committee and a board member of our software company, Cognite, until his peaceful death.

Finn has left a lasting impression. He completed his Economics and Business Administration degree at the Norwegian School of Economics (NHH), an MBA from Harvard Business School and higher-level accounting degree with the best marks. He had an impressive career at Arthur Anderson & Co, where he started his career in 1967 until his retirement from the auditing company in 2000. That year, Finn was awarded the Royal Order of St. Olav, Knight of 1st Class, for his contribution to the development of the auditing and accounting profession in Norway.

Since 2001, Finn has been engaged in various roles in the Aker family. During Kvaerner's acute liquidity crisis, Finn was hired as the company's CFO. Through his unique combination as a technical expert and business strategist, he quickly understood the consequences of the accounting figures. Without Finn's ingenuity, work efforts and skill at forming good relationships, and with Aker as a rescue company, Kvaerner would hardly have survived as a unified company.

From 2001 to 2005, Finn filled key leadership roles in Aker Kvaerner. In April 2010, Finn was elected to Aker ASA's board, and since 2011 he has served as the deputy chairman and the chairman of the Audit Committee.

We will remember Finn as a compassionate person with both an intelligent humor and a rare analytical capacity. Caring and clear-minded. He asked good questions about strategic, organizational, market and financial matters. Detail-oriented while at the same time having the ability to always see the bigger picture. He was systemic by nature and full of enthusiasm for his work.

Finn leaves a big void and many good memories. We are many at Aker who will miss Finn. Our thoughts go out to Toril, Finn's family and his many good friends.

Kjell Inge Røkke and Øyvind Eriksen

Shareholder information

Aker is committed to maintaining an open dialogue with its shareholders, investors, analysts and the financial market in general.

Aker works to ensure that its share price reflects its underlying value by making all price-sensitive information available to the market.

Aker's goal is to create value for its shareholders in the form of dividends and share price growth over time. In February 2006, the company's board adopted the following dividend policy: "Aker ASA's dividend policy supports the company's intention to maintain a solid balance sheet and liquidity reserves adequate to handle future obligations. The company's objective is to pay dividends annually that amount to 2-4 per cent of the company's net asset value. In determining net asset value, the share prices of Aker's exchange-listed investments are applied."

Due to the extraordinary situation resulting from the COVID-19 pandemic, oil price falls and volatile capital markets, in March 2020, the Board of Directors proposed that the General Meeting did not approve a dividend distribution, but authorised the Board to adopt a dividend based on the 2019 annual accounts. Based on that authorisation, a dividend of NOK 11.75 per share was distributed in July 2020, and NOK 11.75 per share was distributed in November 2020. In 2021, the Board proposes an ordinary dividend for 2020 of NOK 11.75 per share and that the General Meeting authorises the Board to adopt an additional dividend during 2021 based on the 2020 annual accounts.

Year	Dividend (NOK)	% of NAV
2013	13.00	3.9
2014	10.00	4.1
2015	10.00	3.6
2016	16.00	3.5
2017	18.00	3.2
2018	22.50	4.0
2019	23.50	3.5
2020	11.75	1.6

Shares and share capital

Aker ASA has 74 321 862 ordinary shares, each with a par value of NOK 28 (see Note 9 to the company's annual accounts). Aker ASA has a single share class. Each share carries one vote. The company held 49 101 treasury shares as at 31 December 2020.

As at 31 December 2020, the company had 18 939 shareholders. Kjell Inge Røkke, Aker ASA's main owner, holds 68.18 per cent of Aker ASA shares through TRG Holding AS. According to the shareholder register maintained by the Norwegian Central Securities Depository (VPS), non-Norwegian shareholders held 11.38 per cent of the company's shares as at 31 December 2020.

Stock-exchange listing

Aker ASA is listed on the Oslo Stock Exchange under the ticker AKER. Aker ASA's shares are registered with VPS with the registration number ISIN NO 0010234552. DNB ASA is the company's registrar.

Board authorisations

At the annual general meeting on 27 April 2020, Aker's shareholders authorised the board to acquire up to 7 432 186 Aker ASA shares with a total par value of NOK 208 101 208. The authorisation also encompassed the acquisition of agreement liens in shares. The per-share purchase price may not be less than NOK 4, nor exceed NOK 1 200. The board is free to decide the method for acquiring or disposing of treasury shares. The authorisation is valid until the 2021 Annual General Meeting, though no longer than until 30 June 2021.

During 2020, the company acquired 50 000 treasury shares, and distributed and sold 44 562 treasury shares in connection with the employee incentive programme.

Share option plans

Aker ASA had no share option plans as at 31 December 2020.

Investor relations

Aker seeks to maintain an open and direct dialogue with shareholders, debt holders, financial analysts, and the stock markets in general. In addition to capital markets days, the company arranges regular presentations for, and meetings with, shareholders, analysts, and investors.

All Aker ASA press releases, stock exchange notices and investor relations

(IR) information are available on the company's website, www.akerasa.com. This online resource also offers access to the company's quarterly and annual reports, prospectuses, corporate presentations, articles of association, financial calendar, investor relations and communications policy and corporate governance information.

Quarterly and annual reports

Aker ASA's quarterly and annual reports are published electronically on the company's website at the same time as they are released via the Oslo Stock Exchange distribution service, www.newsweb.no (Ticker: AKER).

Nomination committee

The company's nomination committee has the following members:

- Kjell Inge Røkke (chairman)
- Leif-Arne Langøy

Shareholders who wish to contact the nomination committee may do so using the following email address: contact@akerasa.com

Audit committee

The company's audit committee has the following members:

- Kristin Krohn Devold
- Atle Tranøy

Annual general meeting

Aker ASA's annual general meeting is held in April each year. Written notification is sent to all shareholders and shareholder nominees.

Meeting notices and attendance registration forms are sent to shareholders by the deadlines laid down in the Norwegian Public Limited Liability Companies Act and made available on the company's website and through the Oslo Stock Exchange distribution service. The annual report and other enclosures to the meeting notice are made available solely via the company's website and the Oslo Stock Exchange distribution service. Shareholders who wish to receive the enclosures by post must contact the company.

Shareholders who are unable to attend the general meeting may vote on individual agenda items electronically on Aker ASA's website during the pre-meeting registration period. Shareholders may change their votes or opt to attend the meeting in person throughout the registration period.

Shareholders may also vote by proxy. The company has designed its proxy forms to allow shareholders to vote on (issue voting instructions for) individual agenda items.

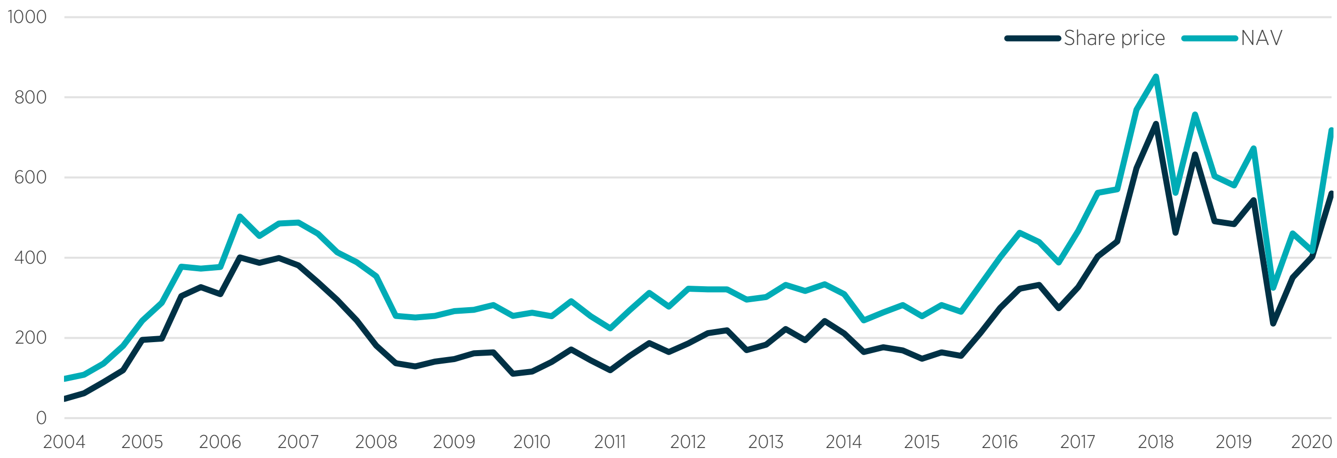
Procedures for electronic voting and the appointment of proxies with voting instructions are described in the meeting notice and on Aker ASA's website.

The company does not appoint an independent proxy to vote on behalf of shareholders. Aker considers that shareholders' interests are adequately safeguarded by permitting the participation of an appointed proxy or authorisation of the meeting chair/board chairman/other appointed representative to vote according to specific instructions.

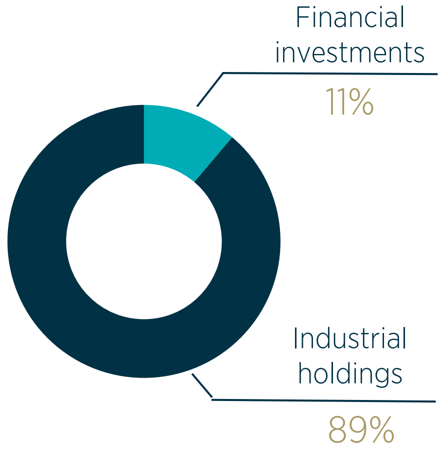
2020 share data

As at 31 December 2020, the company's total market capitalisation was NOK 41.6 billion. During 2020, a total of 39 640 000 Aker ASA shares were traded, corresponding to 53 per cent of the company's total outstanding shares. The Aker ASA share was traded on all of Oslo Stock Exchange's trading days. The share is included in Oslo Stock Exchange's OSEBX index.

NAV and share price development (NOK per share)



Investment overview



Aker's portfolio consists of Industrial holdings and Financial Investments that represent 89 and 11 per cent of Aker's assets, respectively. Aker's total investments amounted to NOK 63.9 billion as at 31 December 2020, and comprised of 87 per cent listed shares, 2 per cent cash and 11 per cent unlisted companies and other assets.

Industrial holdings

Aker's ***Industrial holdings*** represent 89 per cent of Aker's total investments, and comprise the following companies:

- Aker BP
- Aker Energy
- Aker Solutions
- Akastor
- Aker Horizons
- Ocean Yield
- Aker BioMarine
- Cognite

Read more on page 17

Financial investments

Aker's ***Financial investments*** represent 11 per cent of Aker's total investments, and comprise:

- Cash
- Real estate
- Listed financial investments
- Other financial investments

Read more on page 26

Industrial holdings and Financial investments by sector as at 31 December 2020:

E&P	50%
Oil services	6%
Maritime assets	5%
Seafood and marine biotechnology	13%
Renewables and green technology	16%
Cash	2%
Real estate investments	1%
Other financial investments	7%

Industrial holdings

Aker's industrial holdings totalled NOK 56.8 billion at the end of 2020. This equates to 89 per cent of the total asset value of Aker ASA and holding companies

The industrial holdings portfolio comprises the investments in Aker BP, Aker Energy, Aker Solutions, Akastor, Aker Horizons, Ocean Yield, Aker BioMarine and Cognite. Aker has a long-term investment horizon for these companies.

Aker is actively involved in the development of its eight industrial portfolio companies, cooperating closely with each company's board and management. Every investment is monitored by Aker's management with the support of a dedicated investment team. Aker also has representatives on the various company boards.

Ownership is exercised primarily in the board rooms of the individual companies. Aker also functions as a knowledge centre, as its staff possess valuable industrial and strategic knowhow and cutting-edge expertise in areas such as capital market operations, financing, restructuring, transactions, macroeconomics, communications/investor relations, financial reporting, and legal. These resources are available not only to Aker's management in its continuous follow-up of the operational companies, but also to each individual company.

Industrial strategy

Aker combines industrial knowledge, entrepreneurship, financial strength and cooperation with unions and employee board representatives. Aker has experience and expertise in implementing acquisitions, sales, mergers and demergers. Since listing on Oslo Stock Exchange in September 2004, Aker has completed dozens of transactions which have generated considerable value for Aker and the portfolio companies.

Aker invests in sectors and industrial companies operating in industries in which it has the knowledge and experience needed to generate value through growth and stable upstream cash flow to the parent company. Aker also invests in companies which offer possibilities and scope for Aker to contribute transactional expertise.

By exercising active ownership, Aker promotes the independence and robustness of each company in its industrial portfolio.

As an active owner of companies with excellent value and return potential, Aker's agenda is to contribute to robust returns for all shareholders. The company's focus is on skillful management, appropriate organizational structures, profitable operations, growth, optimal capital structures and industrial measures through acquisitions, sales, mergers and demergers.

Developments in 2020

The total market value of Aker's Industrial holdings was NOK 56.8 billion at the end of 2020, which is NOK 2.6 billion higher than the previous year. Aker Solutions merged with Kvaerner and will continue as a pure supplier company. Prior to the merger, Aker Solutions distributed Aker Carbon Capture and Aker Offshore Wind to the company's shareholders. Aker's ownership in the two listed companies is placed in Aker Horizons, which is a new company in the industrial portfolio.

In total, Aker received NOK 2.0 billion in dividends from the industrial portfolio companies in 2020. The table containing key figures for Industrial holdings shows changes and developments in 2020.

For more information, see page 30.

Key figures Industrial holdings

NOK million

		31.12.2019	2020				31.12.2020
	Ownership in % *	Value	Net investments	Received dividend	Value change	Other changes	Value
Aker BP	40.0	41 486	-	(1 594)	(8 748)	-	31 143
Aker BioMarine	77.8	2 363	53	-	5 589	-	8 006
Ocean Yield	61.7	5 187	-	(347)	(1 971)	-	2 869
Aker Horizons	100.0	-	(350)	-	7 641	300	7 591
Aker Solutions	33.3	2 338	110	(55)	(308)	614	2 699
Aker Energy	50.8	925	32	-	-	-	957
Akastor	36.7	1 000	-	-	(288)	-	712
Kvaerner	-	859	-	-	-	(859)	-
Cognite	62.0	42	-	-	2 773	-	2 816
Total Industrial holdings		**54 200**	**(154)**	**(1 996)**	**4 689**	**55**	**56 793**

** At end of 2020*

Aker BP ASA

Chairman: Øyvind Eriksen
CEO: Karl Johnny Hersvik
Aker's ownership interest: 40%

Aker BP is a fully-fledged E&P company on the Norwegian Continental Shelf. Focus is on profitable growth, lowest possible costs and emissions per produced barrel.

Aker owns 40 per cent and BP 30 per cent of the shares in Aker BP. The share price was NOK 216.20 at 31 December 2020, compared with NOK 288 one year prior. In addition, quarterly dividends totalling NOK 11.07 per share were paid during 2020.

Aker's shareholding was valued at NOK 31.1 billion at the end of 2020, with the equity investment in Aker BP thus representing 49 per cent of Aker's total assets. Øyvind Eriksen and Kjell Inge Røkke represent Aker on Aker BP's Board of Directors.

Aker's ownership agenda

Aker's aim is to reinforce Aker BP as one of Europe's leading oil companies in terms of profitable growth and efficiency. In its capacity as owner, Aker is encouraging Aker BP to represent "low cost, low carbon" – lowest possible production costs per barrel with lowest possible emission of greenhouse gases. The production cost per produced barrel came in 2020 down to USD 8,3 per barrel. The CO_2 emissions per produced barrel was reduced to less than 5 kg, and this is below one third of the global average for oil production.

Aker highlights the importance that Aker BP will pay attractive and predictable dividends to its shareholders. As a result of the COVID-19 pandemic's consequences, with falling oil demand and oil prices, Aker supported the decision to reduce Aker BP's dividend in 2020, compared to its initial plan. As a 40 per cent shareholder, Aker received a dividend of NOK 1 .6 billion in 2020, against 2.7 billion in 2019.

Aker BP aims to be a benchmark for safe, efficient, and profitable offshore oil and gas activity that is as sustainable as possible. The company has committed to cutting CO_2 emissions in accordance with the targets in the Paris Agreement. Key tools in this regard include application of new technologies digitalisation and models for alliances and cooperation with suppliers, as well as electrification and technologies to reduce emissions from production.

For more information, see page 30 and www.akerbp.com

Aker BP aims to be a benchmark for safe, efficient and profitable offshore oil and gas activity that is as sustainable as possible

Share of Aker's total assets

49%

Key figures	2020	2019
Operating income (USD million)	2 979	3 347
EBITDAX (USD million)	2 302	2 591
Post-tax profit (USD million)	45	141
Exploration costs (USD million)	174	306
Share price (NOK)	216.20	288.00
Profit per share (USD)	0.12	0.39
Number of employees	1 747	1 743

Aker Solutions ASA

Chairman: Leif-Arne Langøy
CEO: Kjetel Digre
Aker's ownership interest: 33.3%

Aker Solutions is a supplier company. Its main business is deliveries to the oil and gas industry, while renewable energy industry and low-carbon solutions are a growing part of Aker Solutions' business.

Aker was a driving force in merging Aker Solutions and Kvaerner. Aker owns 33.34 per cent of the merged company, which continues under the name Aker Solutions. The share price was NOK 16.45 as of 31 December 2020. In addition, for each share in Aker Solutions, shareholders were allocated one share in Aker Carbon Capture and one share in Aker Offshore Wind, valued at NOK 17.80 and NOK 10.60 at the end of 2020, respectively. One year earlier, the Aker Solutions share price was NOK 24.72.

The equity investment had a market value of NOK 2.7 billion at the end of 2020, corresponding to 4 per cent of Aker's total assets. Aker is represented on the board by Kjell Inge Røkke and Øyvind Eriksen.

Aker's ownership agenda

During the fall of 2020, Aker Solutions merged with Kvaerner to establish a more robust supplier company - based on Norway's leading offshore engineering and fabrication industry. Prior to the merger, Aker Solutions distributed Aker Carbon Capture and Aker Offshore Wind as dividends to its shareholders. The 'new' Aker Solutions will be at the forefront for the use of technology and industrial software throughout the value chain of engineering services, project management, procurement and fabrication.

Aker supports Aker Solutions' ambition to help accelerate the transition to more sustainable energy production. Today, the company's main focus areas are in engineering services and oil services. For the supplier industry, the growth will among other areas take place within renewable energy, electrification, and as supplier to aquaculture projects, carbon capture projects and low-emission solutions. Aker Solutions' goal is for this to account for one third of revenues in 2025, compared to approx. 5 per cent in 2020.

Aker's ownership agenda is to strengthen Aker Solutions' competitiveness in both oil, gas and low-emission segments, win new contracts, carry out projects with better profitability than before and be open to partnerships, alliances and transactions that contribute to growth. The work continues to further develop good relationships with customers and partners and implement operational improvements.

For more information, see page 31 and www.akersolutions.com

Aker Solutions and Kvaerner merged into "new" Aker Solutions in 2020.

Share of Aker's total assets

4%

Key figures	2020	2019 Restated
Operating income (NOK million)	**29 396**	38 163
EBITDA (NOK million)	**1 539**	2 711
EBITDA margin (per cent)	**5.2**	7.1
Order book (NOK million)	**37 979**	33 083
Ordrer intake (NOK million)	**34 163**	26 155
Share price (NOK)	**16.45**	24.72
Profit per share (NOK)	**(3.13)**	0.49
Number of employees	**14 494**	18 789

Akastor ASA

Chairman: Kristian Røkke
CEO: Karl Erik Kjelstad
Aker's ownership interest: 36.7%

Akastor is an investment company focused on oil services with a portfolio of industrial and financial investments.

Aker owns 36.7 per cent of the shares in Akastor. The share price was NOK 7.08 as of 31 December 2020, compared to NOK 9.94 one year prior. The investment had a market value of NOK 0.7 billion at the end of 2020, corresponding to 1 per cent of Aker's total assets. Kristian Røkke and Svein Oskar Stoknes represent Aker on Akastor's board of directors.

Aker's ownership agenda

Akastor has a flexible mandate for active ownership and long-term value creation. At the top of the ownership agenda are operational improvements, winning new contracts and completing transactions. Aker is encouraging Akastor to play an active role in the transactional market, both to release capital and to seize opportunities to generate value.

Akastor's most valuable company is MHWirth, which specializes in the development and delivery of innovative, sustainable technologies to the drilling market. In March 2021, a merger of MHWirth and Baker Hughes-owned Subsea Drilling Systems was announced. Akastor and Baker Hughes will own 50 per cent each in the merged company. The transaction is expected to be completed in the second half of 2021. The long-term plan is to list the merged company on the stock exchange.

Since Akastor was spun out of Aker Solutions as a non-core operation in 2014, it has released more than NOK 6 billion through divestments. The completed transactions demonstrate that Akastor's portfolio companies often offer added value which can be realised in larger, more effective units in industrial constellations. Aker will continue to prioritize to drive forward these efforts in its capacity as owner.

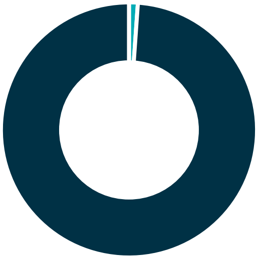
For more information, see page 32 and www.akastor.com

AKASTOR

Akastor's most valuable company, MHWirth, specializes in the development and delivery of sustainable technologies to the drilling market.

Share of Aker's total assets

1%



Key figures	2020	2019
Operating income (NOK million)	**4 577**	5 361
EBITDA (NOK million)	**331**	492
EBITDA margin (per cent)	**7.2**	9.2
Order book (NOK million)	**2 375**	3 166
Order intake (NOK million)	**3 789**	5 250
Share price (NOK)	**7.08**	9.94
Profit per share (NOK)	**(2.14)**	0.37
Number of employees	**1 769**	1 921

Aker Horizons AS

Chairman: Øyvind Eriksen
CEO: Kristian Røkke
Aker's ownership interest: 80.0% (at March 2021)

Aker Horizons exercises active ownership in investments within renewable energy and green technologies.

Aker owned 100 percent of the shares in Aker Horizons in 2020. In the first quarter 2021, the ownership share was reduced to 80.0 percent after a private placement and listing of the company. Aker Horizons was established as a subsidiary of Aker in 2020, and was listed on Euronext Growth on 1 February 2021. The investment had a market value of NOK 7.6 billion at the end of 2020, corresponding to 12 per cent of Aker's total assets. Aker is represented on the board by Øyvind Eriksen, Kjell Inge Røkke and Martin Bech Holte.

Aker's ownership agenda

Aker Horizons has a competent and dedicated team with a flexible mandate for active ownership in order to build future-oriented companies. The ambition is to be a driving force in decarbonisation and environmental improvements through companies that develop and deliver industrial solutions. The goal is to build a platform for long-term value creation, where Aker Horizons can benefit from technologies, industrial expertise and industrial software in Aker-owned companies.

The company initially consisted of 51 per cent ownership in both Aker Carbon Capture and Aker Offshore Wind. The carbon capture company has its own solutions, services and technologies for dealing with CO_2 challenges. The company is based on the Aker Group's more than 20 years of experience with technology and operation of carbon capture plants.

The portfolio of companies expanded in 2021. Aker's ownership of 24.7 per cent in REC Silicon was transferred to Aker Horizons. In January, the purchase of 75 per cent of the shares in Mainstream Renewable Power in Ireland was announced, and the transaction is expected to be completed in the second quarter. The company has operations in 11 countries and has an international position in wind power and solar energy. Rainpower was acquired to take a position in hydropower technology. Aker Clean Hydrogen was launched as a hydrogen company, and collaboration projects have been established with both Yara and Statkraft in Norway.

Aker Horizons acquired approx. NOK 8.6 billion in equity, convertible bond loan and a green bond loan in the first quarter. With Aker Horizons, a "green flag" has been planted for growth. Each of the portfolio companies in Aker Horizons will work to create value in collaboration with Aker, Aker-owned companies and other players in the value chain.

For more information, see page 32 and www.akerhorizons.com

AKER HORIZONS

Through Aker Horizons, Aker is taking an active role within the rapidly growing renewable energy and green technology segments.

Share of Aker's total assets

12%

Key figures	2020	2019
Revenue (NOK million)	19	N/A
EBITDA (NOK million)	(162)	N/A
Profit after tax (NOK million)	(180)	N/A
Share price (NOK)	N/A	N/A
Number of employees	53	N/A

Ocean Yield ASA

Chairman: Frank O. Reite
CEO: Lars Solbakken
Aker's ownership interest: 61.7%

Ocean Yield owns and charters out vessels on long-term contracts, a strategy which offers predictability with respect to future earnings and dividend capacity.

Aker owns 61.7 per cent of the shares in Ocean Yield. The share price was NOK 26.55 as of 31 December 2020, compared with NOK 48.00 a year earlier. In addition, quarterly dividends of a total of NOK 3.21 per share were paid in 2020.

The investment had a market value of NOK 2.9 billion at the end of 2020, corresponding to 4 per cent of Aker's total assets. Kjell Inge Røkke represents Aker on Ocean Yield's board of directors.

Aker's ownership agenda

Aker's main ownership priorities for Ocean Yield are growth and diversification in the portfolio, focus on counterparty risk and to secure a solution for FPSO Dhirubhai-1. Efforts are constantly being made to optimize the capital structure and reduce the company's capital costs, as well as to continue with an attractive dividend. In 2020, write-downs were made for the two vessels Dhirubhai-1 and Connector for a total of USD 129 million. Connector was sold during the year. Aker supported Ocean Yield's decision to reduce the dividend to shareholders in 2020. As a 61.7 per cent shareholder, Aker received a dividend of NOK 347 million in 2020, compared with NOK 658 million in 2019.

Most of Ocean Yield's vessels are on bareboat contracts, and Ocean Yield is therefore not responsible for the operation of the company's operating vessels. The average age of the vessels in the fleet is approx. 4 years, and emissions of CO_2 and other greenhouse gases are significantly lower than the average for comparable vessels sailing on the world's oceans.

Aker supports Ocean Yield's strategy of over time building an even larger company through value-creating transactions and further diversification of the portfolio, both in terms of the number of counterparties and segments. Diversification helps to make the company more robust to fluctuations in certain segments. The aim of long-term contracts is to ensure predictability for future earnings and dividend capacity.

For more information, see page 33 and www.oceanyield.no

OCEAN YIELD

Ocean Yield has a diversified portfolio of modern vessels on bareboat contracts.

Share of Aker's total assets

4%

Key figures	2020	2019
Operating income (USD million)	**259**	240
EBITDA (USD million)	**241**	218
EBITDA margin (per cent)	**93.2**	90.9
EBITDA order book (USD million)	**2 900**	3 600
Share price (NOK)	**26.55**	48.00
Profit per share (NOK)	**(0.86)**	(0.27)
Number of employees	**20**	17

Aker BioMarine AS

Chairman: Ola Snøve
CEO: Matts Johansen
Aker's ownership interest: 77.8%

Aker BioMarine is a biotechnology and krill harvesting company that develops, markets and sells krill-based products.

Aker owns 77.8 per cent of the shares in Aker BioMarine. Before the company was listed on Euronext Growth in July 2020, Aker's stake was 98 per cent. The share price was NOK 117.50 as of 31 December 2020.

The investment had a market value of NOK 8.0 billion at the end of 2020, corresponding to 13 per cent of Aker's total assets, compared with a book value of NOK 2.4 billion one year prior. Kjell Inge Røkke, Øyvind Eriksen and Frank Ove Reite represent Aker on the company's board of directors.

Aker's ownership agenda

Aker believes that Aker BioMarine has the opportunity to establish a strong position in niches driven by global health trends and the demand for omega 3 ingredients. The ambition is to create a larger and more robust company with a focus on good operations and an efficient value chain.

Aker BioMarine is an international leader in sustainable harvesting and develops, markets and sells krill-based ingredients and products. In 2020, Aker BioMarine launched its own brand omega 3 supplement Kori to consumers in the United States. Kori is marketed through the subsidiary, Epion, which was established for further development of Aker BioMarine's own consumer brands. Aker BioMarine's own consumer brands. Aker BioMarine also launched a new business concept for circular solutions in 2020, as well as a new product for brain and eye health.

Aker's main agenda is to focus on operational improvements, improved profitability, increase sales through product innovation, new channels, expansion in geographic markets, extract synergies and continue to invest for long-term growth. Aker BioMarine will continue to be a leader of sustainable harvesting with the lowest possible carbon footprint. The company has long-term partnerships with brand companies, environmental organizations and researchers. Superba™ Krill Oil, the company's branded ingredient in the omega-3 consumer market, has a strong position in the globally. QRILL™ Aqua and QRILL High Protein is an important feed additive for the aquaculture industry, and QRILL Pet is a feed additive for dogs.

For more information, see page 33 and www.akerbiomarine.com

AKER BIOMARINE

Aker BioMarine is focused on maintaining its competitive advantage as an integrated company that controls the entire value chain.

Share of Aker's total assets

13%

Key figures	2020	2019
Operating income (USD million)	**289**	246
EBITDA (USD million)	**57**	46
EBITDA margin (per cent)	**19.6**	18.8
Post-tax profit/loss (USD million)	**(4)**	(24)
Share price (NOK)	**117.50**	N/A
Profit per share (NOK)	**(0.05)**	(0.34)
Number of employees	**530**	504

Aker Energy AS

Chairman: Karl Johnny Hersvik
CEO: Håvard Garseth
Aker's ownership interest: 50.8%

Aker Energy owns 50 per cent of the Deepwater Tano Cape Three Points in Ghana, holding significant oil reserves.

Aker owns 50.8 per cent of Aker Energy. Aker's shares in Aker Energy had a book value of NOK 0.96 billion at 31 December 2020, corresponding to 1 per cent of Aker's total assets. Kjell Inge Røkke and Øyvind Eriksen represent Aker on the company's board of directors.

Aker's ownership agenda

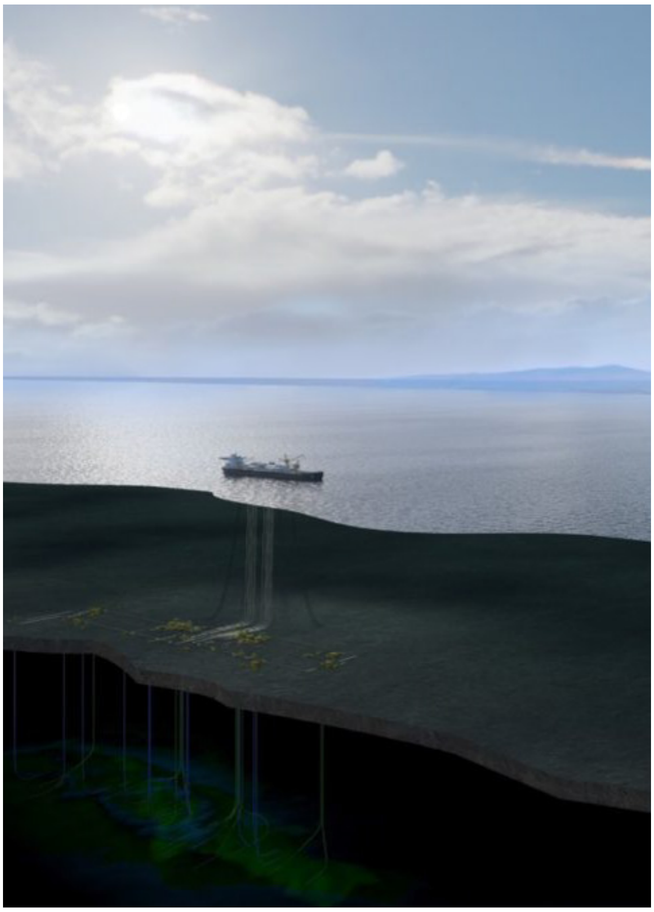
At the top of Aker's ownership agenda is to find an efficient development concept and a technical solution that is secure and economically robust.

Aker Energy has a constructive dialogue with authorities in Ghana, and a shared understanding of the challenges due to COVID-19 and the oil price collapse. A revised Plan for the Development and Operation (PDO) of an oil field approx. 100 kilometers off the coast of Ghana is under development.

Drilling operations have confirmed contingent resources of 450–550 million barrels of oil equivalents in the Pecan field at the Deepwater Tano Cape Three Points block.

Given the historic collapse in oil prices in the first quarter 2020 as a result of the COVID-19 pandemic and geopolitical tension, Aker Energy came to a decision to postpone the Pecan project indefinitely.

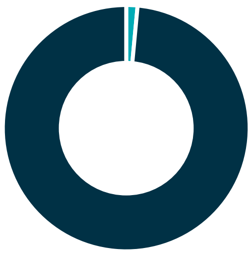
See more information, see page 31 and www.akerenergy.com



Aker Energy continues to explore transaction opportunities.

Share of Aker's total assets

1%



Key figures	2020	2019
Operating income (USD million)	**6**	8
EBITDA (USD million)	**(28)**	(123)
Post-tax profit/loss (USD million)	**(49)**	(131)
Number of employees	**45**	152

Cognite AS

Chairman: Øyvind Eriksen
CEO: John Markus Lervik
Aker's ownership interest: 62%

Cognite is an industrial software company that gathers, processes and facilities enormous volumes of data for its industrial customers.

Aker owns 62 per cent of the shares in Cognite. The shareholding is valued at NOK 2.8 billion in Aker's NAV, corresponding to 4 per cent of total assets as at 31 December 2020. Øyvind Eriksen and Kjell Inge Røkke represent Aker on Cognite's board of directors.

Aker's ownership agenda

As the main shareholder Aker is driving forward an aggressive expansion into the fast-growing market for industrial software. The company's main product, Cognite Data Fusion, gathers and processes enormous volumes of data for industrial customers. The key to scalable industrial digitization is that data can be shared in real time to, among other things, optimize production, reduce energy consumption, monitor production processes, warn of irregularities, and plan maintenance on an efficient manner. A significant part of Cognite's revenue is license and subscription revenue.

In 2020, Cognite entered into several important strategic partnerships. Accel - one of the world's leading venture companies in technology and software - became a partner and minority owner in Cognite. Aker continues as the majority owner, with Accel as the largest minority owner. Following the completion of the transaction, Cognite is valued at USD 550 million. Accel's expertise and experience will contribute to further scaling and commercialization of Cognite's products. In addition, Microsoft and Cognite entered into a global partnership agreement: the Cognite Data Fusion platform will be fully integrated into Microsoft Azure. In Saudi Arabia, Saudi Aramco (51 per cent) and Cognite (49 per cent) have entered into an agreement to establish a company that will contribute to the digitization of Saudi Arabia, and elsewhere in the Middle East and North Africa. This is a result of Aker's good relationship with Saudi Aramco over many years.

Cognite has a good foothold in the oil and gas industry, energy and power supply, renewable energy, "green" technology, and manufacturing. This provides a good starting point for further international expansion, continued recruitment of talent from around the world, further development of good customer relationships and partners and continued growth.

For more information, see page 34 and www.cognite.com

Cognite is expanding aggressively in a rapidly growing market for industrial software and has entered into several important partner agreements in 2020.

Share of Aker's total assets

4%

Key figures	2020	2019
Operating income (NOK million)	**532**	340
EBITDA (NOK million)	**(157)**	(15)
Post-tax profit/loss (NOK million)	**(197)**	(17)
Number of employees	**402**	236

Financial investments

The value of Aker's financial investments totalled NOK 7.2 billion at the end of 2020, including NOK 1.3 billion in cash. This equates to 11 per cent of the total asset value of Aker ASA and holding companies.

The financial investments segment encompasses cash, equity investments in listed companies such as American Shipping Company, Philly Shipyard, REC Silicon (moved to Aker Horizons in 2021) and Solstad Offshore, the real estate development company Aker Property Group (previously FP Eiendom), the software company Aize, and other assets and receivables.

At year-end 2020, Aker had cash holdings of NOK 1.3 billion. The company's liquidity reserve, including undrawn credit facilities, totalled NOK 4.3 billion as at 31 December 2020.

The value of the financial investments in the listed companies American Shipping Company, Philly Shipyard, REC Silicon and Solstad Offshore was a total of NOK 2.4 billion at the end of 2020. The ownership interest in REC Silicon of 24.7 per cent amounted to NOK 1.5 billion, the 57.6 per cent stake in Philly Shipyard NOK 0.4 billion, the 19.1 per cent stake in American Shipping Company NOK 0.3 billion and the 25 per cent stake in Solstad Offshore NOK 0.2 billion.

Other financial investments mainly consist of the real estate development company Aker Property Group, internal and external receivables and other assets.

In total, Aker has received NOK 345 million in dividends from the companies in the portfolio of financial investments in 2020.

For more information, see page 34.

Key figures Financial investments

NOK million

	31.12.2020	31.12.2019
Cash	1 303	3 715
Listed financial investments	2 377	917
Real estate	508	603
Other financial investments	2 964	2 498
Total financial investments	**7 153**	**7 733**

Alternative performance measures

Aker ASA refers to alternative performance measures with regards to Aker ASA and holding companies' financial results and those of its portfolio companies, as a supplement to the financial statements prepared in accordance with IFRS. Such performance measures are frequently used by securities analysts, investors and other interested parties, and they are meant to provide an enhanced insight into operations, financing and future prospects of the group.

The definitions of these measures are as follows:

- **EBITDA:** operating profit before depreciation, amartisation, and impairment charges.
- **EBITDA-margin:** EBITDA divided by revenue.
- **EBITDAX** operating profit before depreciation, amortisation, impairment charges and exploration expenses.
- **Equity ratio:** total equity divided by total assets.
- **Gross asset value:** the sum of all assts determined by applying the market value of listed shares, most recent transaction value for non-listed assets subject to material transaction with third parties, and the book value of other assets.
- **Kboed:** thousand barrels of oil equivalents per day.
- **Net asset value (NAV):** gross asset value less liabilities.
- **NAV per share:** NAV divided by the total number of outstanding Aker ASA shares.
- **Net interest-bearing receiables/debt:** cash, cash equivalents and interest-bearing receivables (current and non-current), less interestbearing debt (current and non-current).
- **Ordrer intake:** new signed contracts in the period and expansion of existing contracts. The estimated value of potential options and change orders is not included.
- **Ordrer backlog:** estimated value of remaining work under signed contracts.
- **Value-adjusted equity ratio:** NAV divided by gross asset value.

Board of Directors' report

> The COVID-19 lockdown has not meant slowdown for Aker.

2020 was marked by the COVID-19 pandemic, an accelerated energy transition, and volatile oil prices and capital markets. Despite the challenges the year brought, Aker ASA* has emerged even stronger. Aker's net asset value was NOK 53.4 billion at the end of 2020, compared to NOK 50.0 billion one year prior. In addition, dividends totalling NOK 1.75 billion were paid in 2020. The shareholder return, measured in terms of share price development and dividends paid, was 7.4 per cent. In comparison, the main index on the Oslo Stock Exchange (OSEBX) increased by 4.6 per cent.**

The world was put to the test in 2020 when a global lockdown swept over societies and markets. Looking back, it is evident that Aker and its portfolio companies have emerged even stronger. The importance of a robust financial foundation and skilled organizations, coupled with strong customers and business relationships, made a difference. The result affirms that strong efforts have been put in across Aker and its portfolio companies over several years.

The COVID-19 lockdown has not meant slowdown for Aker. Aker's diversification strategies and ambitions for the portfolio and portfolio companies for growth within renewable energy, low-carbon solutions, and green technologies, were formed before the pandemic hit. During the pandemic, the transformation accelerated. And all during the largest mobilization of emergency resources in Aker since the Second World War.

As early as 21 January 2020, Aker implemented coordination of resources across portfolio companies and national borders. China was hit hard, and Aker prepared for likely scenarios when COVID-19 arrived in Europe. In early February 2020, it became clear that this would be an ongoing crisis for many months with major impacts on business operations.

Aker quickly established a medical expert committee. In Norway, the Aker companies opened a COVID-19 medical hotline, as well as a mental health hotline for its employees. To handle the COVID-19 situation and development, Aker and its largest portfolio companies collaborated through established

** **Aker ASA** refers to the parent company.*
*** **Aker** refers to Aker ASA and holding companies, as specified in Note 1 to the annual accounts of Aker ASA and holding companies, page 119.*
***Aker Group** refers to Aker ASA and subsidiaries consolidated into the Group accounts, as specified in Note 9 to the annual accounts of the Aker Group, page 64.*

functional networks for HR, HSE and communication. Since the lockdown in Norway on March 12, Aker's CEO has hosted a regular CEO Forum, digital meetings with top executives from the industrial portfolio companies. A dedicated team of medical experts and other resources closely monitors the development of COVID-19 and provides ongoing advice on recommended measures to Aker's President & CEO and the members of the CEO Forum.

Day-to-day work during the pandemic has been and is organized and managed in a way that enables operational managers to stay focused on daily operations and business development. Aker benefits from a long tradition of seizing opportunities and carrying out value accretive transactions in times of crisis.

In the spring of 2020, Aker, together with Equinor, the Confederation of Norwegian Enterprises (NHO) and others, took the initiative to introduce temporary changes to the Norwegian petroleum tax regime. The purpose was for the oil companies to implement projects that were cancelled or put on hold when the oil price collapsed in early March. The entire industry, with support from NHO, the Norwegian Confederation of Trade Unions (LO), and the Norwegian Shipowners' Association came together. In June, the Norwegian Parliament passed important legislative changes which triggered oil and gas projects and thus led to higher activity in the supplier industry.

Aker, as the main owner of Aker Solutions, was a driving force to spin off Aker Carbon Capture and Aker Offshore Wind as dividend distribution to Aker Solutions' shareholders, and to merge Aker Solutions and Kvaerner into an optimised supplier company.

In parallel, Aker Horizons was established as Aker's growth platform for investments in renewable energy and green technologies. Aker's 51 per cent ownership in both Aker Carbon Capture and Aker Offshore Wind was placed under Aker Horizons in the autumn of 2020. This was the start of industrial ambitions for growth in carbon capture, wind power, solar energy, hydropower, hydrogen, and low-emission technologies.

In 2020, Aker has also highlighted significant shareholder value in Aker BioMarine and Cognite. The krill and biotechnology company, Aker BioMarine, carried out a private placement of USD 225 million prior to its listing on Euronext Growth. The software company, Cognite, carried out a private placement to Accel, one of the world's most recognized and successful venture capital firms within software and technology.

Dividends to Aker from the portfolio companies totalled NOK 2.34 billion in 2020, compared to NOK 3.5 billion in 2019. The decline is due to lower dividends from Aker BP and Ocean Yield which were lowered following impacts of the global pandemic.

1. Key developments in 2020

Aker's portfolio of companies has become more diversified throughout 2020. The oil and gas sector is still Aker's largest investment and accounted for 56 per cent of the values at year-end 2020, compared to 75 per cent a year earlier. The renewable energy and green technologies investment segment have grown from zero to 16 per cent. Seafood and marine biotechnology accounted for 13 per cent, industrial software 5 per cent and maritime assets 5 per cent. Cash and other assets accounted for 5 per cent at year-end.

Aker is exposed to developments in oil prices and activity levels within oil service. Oil prices started at USD 66 per barrel in 2020 and ended the year at USD 51.70 per barrel. Throughout the year, there were large fluctuations in oil prices. As a result of the oil price war between Saudi Arabia and Russia and falling demand in the wake of the COVID-19 pandemic, the oil market was on the brink of collapse. In April, the price of Brent oil was just under USD 17 per barrel at its lowest, and some US shale oil producers at one point even had to pay buyers to take their output.

The financial markets in 2020 was equally characterised by the COVID-19 pandemic, the US-China trade war, as well as fears of recession and geopolitical uncertainty. In addition, there has been great interest in the capital market for companies that have technologies and solutions that can help solve climate and environmental challenges. Companies built on ESG (Environmental, Social and Governance) premises have been among the winners on the world's stock exchanges. ESG considerations is an integral part of the business and strategically important to the development of Aker. Green companies in Aker's portfolio had especially strong value growth in the second half of 2020.

During the year, Aker experienced both the weakest and the strongest quarters ever measured in value development. In the first quarter, Aker's Net Asset Value (NAV) fell from NOK 50.0 billion to NOK 24.1 billion, and the share price from NOK 543.50 to NOK 235.60. In the fourth quarter, the NAV increased by a record strong NOK 22.4 billion to NOK 53.4 billion. The share price ended the year at NOK 560. A NOK 11.75 per share dividend was paid in the fourth quarter, in addition to the NOK 11.75 per share dividend paid in the third quarter.

Aker's shareholders thus achieved an annual return of 7.4 per cent in 2020, including share price development and dividends, and the NAV increased by 10.3 per cent including dividends. By comparison, the OSEBX increased by 4.6 per cent in 2020, and oil prices fell by 21.7 per cent.

Aker's board proposes an ordinary dividend of NOK 11.75 per share for 2020. Furthermore, the board proposes that the general meeting authorises the board to approve additional dividends in 2021 based on the annual accounts for 2020. If the board, based on such an authorisation, should decide to pay an extraordinary dividend equal to the ordinary dividend, the total dividend paid in 2021 will be NOK 23.50 per share. This will correspond to 3.3 per cent of NAV at the end of 2020, which is within the range of Aker's dividend policy of annually paying out 2-4 per cent of NAV.

2. Business operations and location

Aker is an industrial investment company with traditions dating back to 1841. The company is registered in Norway, with its headquarters at Fornebu, outside of Oslo.

As an active owner and equity investor, Aker uses its financial strength and industrial expertise to further develop the operating companies in the portfolio in a sustainable manner. Through participation on the boards of the portfolio companies, Aker is a driving force for strategic development, operational improvements, restructuring and a facilitator of transactions. Aker strives to secure profitable growth and forward-looking companies, and to build robust organisational cultures in all its portfolio companies. The goal is to ensure sustainable value creation for all shareholders and contribute to positive development for society.

Aker's investments are divided into two portfolios: Industrial holdings and Financial investments. As at March 2021, Aker is largest shareholder in 13 companies listed on the Oslo Stock Exchange, Euronext Expand Oslo and Euronext Growth Oslo.

a. Industrial holdings

Aker's industrial holdings are the company's long-term investments and consists of eight companies, of which six are listed. The portfolio consists of the exploration and production company, Aker BP, the oil company, Aker Energy, the oil service company, Aker Solutions, the oil service investment company, Akastor, the renewable energy investment company, Aker Horizons, the ship-owning company, Ocean Yield, the krill and biotechnology company, Aker BioMarine, and the industrial software company, Cognite.

Aker Solutions merged with Kvaerner in the fall of 2020 and continues as an optimized supplier company. Prior to the merger, Aker Solutions distributed Aker Carbon Capture and Aker Offshore Wind as dividend to the company's shareholders. Aker's ownership in the Aker Carbon Capture and Aker Offshore Wind was placed under Aker Horizons, which is a new company in the industrial portfolio within renewable energy and green technology.

The value of Aker's industrial holdings amounted to NOK 56.8 billion as of 31 December 2020, which represented 89 per cent of Aker's value-adjusted gross assets, up from NOK 54.2 billion a year earlier. Aker Horizons contributed a value increase of NOK 7.6 billion, and Aker BioMarine NOK 5.6 billion. In addition, the value of Aker's investment in Cognite increased by NOK 2.8 billion as a result of the transaction with Accel. On the other hand, the value of the equity investment in Aker BP was reduced by NOK 10.3 billion and Ocean Yield had a decline in values of NOK 2.3 billion.

Aker BP

Aker BP is an oil and gas exploration and production (E&P) company on the Norwegian Continental Shelf. Its focus is to operate with profitable growth, lowest possible costs and emissions per produced barrel, and predictable attractive dividends.

In 2020, Aker BP's CO_2 emissions were reduced from 6.9 kg to 4.5 kg per barrel of oil equivalents produced, which is approximately 70 per cent lower than the world average for oil and gas production, according to the International Association of Oil & Gas Producers. Production costs per barrel produced were USD 8.3, which is 33 per cent lower than in 2019. The goal is to reduce costs below USD 7 per barrel.

The company's 2020 production averaged 210 700 barrels of oil equivalents per day, up from 155 900 barrels the year before. The 35 per cent increase is mainly due to the Johan Sverdrup and the Valhall fields. Revenues and earnings were impacted by the drop in oil prices. Operating revenues were USD 3.0 billion, compared to USD 3.3 billion in 2019. EBITDAX was USD 2.3 billion, compared to USD 2.6 billion in 2019.

Aker BP's five field centres had good operational performance. Collaborative models and alliances with oil service supplier companies, continue to contribute to reduced costs and higher efficiency related to exploration, drilling, operation, maintenance, modifications, and field development. Digitalisation contributes to safer and more cost-effective operations.

The Norwegian Parliament's decision in June 2020 to implement temporary changes to the petroleum tax regime is of great importance to Aker BP. As a direct consequence, a Plan for Development and Operations (PDO) was submitted for the Hod field, which will be remotely controlled from Valhall. CO_2 emissions will be low due to the field's onshore electricity supply.

Another consequence was that Aker BP and Equinor entered into an agreement on the development of the NOAKA area in the North Sea. The area consists of Alvheim North and the Fulla license, which is operated by Aker BP, and the Krafla license, which is operated by Equinor. The PDO will be submitted in 2022.

The company's contingent resources were 895 million barrels of oil equivalents at the end of 2020, compared to 931 million barrels of oil equivalents the year before.

Aker BP has long-term growth targets for its existing portfolio, both through value-adding transactions and organic growth. Aker BP will be a driver for working smarter and more effectively through alliances and collaborative models. Digitalisation is crucial for Aker BP's improvement program and plays an important role in change processes.

Aker wants to contribute to making the Norwegian Continental Shelf (NCS) an international benchmark for safe, profitable, and sustainable offshore petroleum operations. Aker BP is among the oil and gas producers with the lowest carbon intensity, and works purposefully to reduce emissions, improve safety, and increase efficiency throughout the value chain. In order to finance future growth, it is important that Aker BP maintains its 'Investment Grade' rating from leading credit rating agencies. At the same time, it is important that Aker BP maintains an attractive and predictable dividend policy. Due to the fall in oil prices and the situation triggered by the COVID-19 pandemic, Aker BP, with support from Aker, chose to reduce dividends to USD 425 million in 2020, which is half of what was originally planned. For 2021, Aker BP has guided a dividend of USD 450 million, whereby a total of USD 180 million will go to Aker as a 40 per cent stockholder.

The Aker BP share stood at NOK 216.20 on 31 December 2020, compared with NOK 288 at the end of 2019. In addition, Aker received dividends from Aker BP totalling NOK 1 594 million in 2020 (NOK 11.07 per share).

Aker Energy

Aker Energy owns 50 per cent of the Deepwater Tano Cape Three Points (DWT / CTP) oil field in Ghana.

Drilling operations have confirmed contingent resources of 450-550 million barrels of oil equivalents in the Pecan field in the DWT / CTP block. As a result of the oil price collapse in the first quarter of 2020, the COVID-19 pandemic and geopolitical uncertainty, Aker Energy decided to postpone the Pecan project indefinitely.

A revised plan has been established for the development and operation of the oil field approximately 100 kilometres off the coast of Ghana. This includes an efficient development concept, and a technical solution that is safe and at the same time financially robust. Aker Energy has a constructive dialogue with the licensing partners and the authorities in Ghana, and there is a common understanding of the challenges that must be addressed due to COVID-19 and volatile oil prices.

In the first quarter of 2020, Håvard Garseth, previous CEO of Aker Floating Production, was appointed CEO of Aker Energy.

Aker owns 50.8 per cent of the shares in Aker Energy, and The Resource Group TRG AS (TRG) owns 49.2 per cent. Aker's investment in Aker Energy had a book value of NOK 957 million as of 31 December 2020.

Aker Solutions

Aker Solutions is a global supplier company to the oil industry, renewable energy industry areas and low-carbon solutions.

Aker Solutions and Kvaerner merged in the autumn of 2020 to establish an optimised supplier company, founded on Norway's leading offshore engineering and fabrication environment. Prior to the merger, Aker Solutions distributed Aker Carbon Capture and Aker Offshore Wind as dividend to its shareholders. Aker Solutions also sold its software development company, ix3, to Aker's newly established software company Aize. In parallel, Aize acquired IP rights from Kvaerner. Based on valuations from independent third parties, Aize paid approximately NOK 270 million for ix3 and the IP rights. The merged Aker Solutions will not be involved in the development of industrial software but will be at the forefront for implementing technology and software in the entire value chain of engineering services, procurement, and construction.

Aker Solutions' ambition is to help accelerate the transition towards a more sustainable energy production. The company's centre of gravity is currently within engineering and oil services, but the growth will take place within renewable energy, electrification and as a supplier to carbon capture plants and low-emission solutions. The goal is for this to account for one-third of the turnover in 2025, up from approximately 5 per cent in 2020.

The Norwegian Parliament's decision to introduce temporary changes to the petroleum tax regime immediately triggered several projects on the NCS by oil companies. This has been of great importance in providing work to Aker Solutions' engineers and skilled workers. In this way, the necessary competence and capacity to build new business on the shoulders of the oil-related supplier industry is ensured.

In a demanding year due to COVID-19 and volatile oil prices, Aker Solutions has won important contracts and increased its order backlog. The order intake in 2020 for the merged company, which will be continued under the name Aker Solutions, was NOK 34.2 billion in 2020, compared with NOK 26.2 billion in pro forma order intake in 2019. The company's order backlog was NOK 38.0 billion per 31 December 2020.

Some of the company segments experienced margin pressure in 2020 due to an imbalance in the market and supplier overcapacity. Aker Solutions' operating revenues were NOK 29.4 billion in 2020, compared with NOK 38.2 billion in 2019 for the merged entity. EBITDA was NOK 1.5 billion, compared with NOK 2.7 billion in 2019. The accounts in 2020 are weighed down by significant costs related to COVID-19 control measures. In addition, provisions were made in connection with projects and write-downs. The company had a liquidity reserve of NOK 8.2 billion at the end of 2020.

Aker Solutions is experiencing high tender activity. At the beginning of 2021, the company is involved in tenders for a total of NOK 76 billion in potential new contracts. About one-third are in renewable energy and low-carbon projects. Floating offshore wind is an important market going forward which opens interesting opportunities for Aker Solutions. The low-carbon area includes carbon capture and storage, subsea gas compression, unmanned platforms, and electrification of oil and gas fields.

Going forward, it is important to win contracts within all of Aker Solutions' business areas and carry out projects and contracts with satisfactory margins. To succeed, the company must further develop first-class customer relationships and focus on further operational improvements and strengthening the capital base.

In December 2020, the Norwegian Parliament approved the dissolution of Aker Kvaerner Holding, which owned 40 per cent of the shares in Aker Solutions and Akastor. The Norwegian State owned 30 per cent of Aker Kvaerner Holding, while Aker controlled 70 per cent. Following the liquidation of Aker Kvaerner Holding, the Norwegian State directly owns 12 per cent of the shares in the merged Aker Solutions.

In 2020, Aker bought shares in Aker Solutions for NOK 110 million and has negative control of 33.34 per cent of the shares in the company. The Aker Solutions share price was NOK 16.45 at the end of 2020. In addition, Aker Solutions' shareholders were for each share held in Aker Solutions allocated one share in Aker Carbon Capture and one share in Aker Offshore Wind, valued at NOK 17.80 and NOK 10.60, respectively, on Euronext Growth per 31 December 2020. One year earlier, the Aker Solutions share was priced at NOK 24.72, and including the distribution of the two companies, the return was 81 per cent in 2020. No dividend has been proposed for the fiscal year 2020.

Akastor

Akastor is an oil services investment company with a portfolio of industrial holdings and financial investments. MHWirth and AKOFS Offshore are the two most important companies in the portfolio. Akastor has a flexible mandate for exercising active ownership and is working to release the value potential in its portfolio.

The drilling technology company MHWirth is Akastor's most valuable investment. The company has a globally leading position as a supplier of drilling packages for rigs and associated services. The market for new drilling packages was also in 2020 characterised by low activity. In March 2021, an agreement to merge MHWirth and the Baker Hughes-owned Subsea Drilling Systems was announced. Akastor and Baker Hughes will own 50 per cent each in the merged company. The transaction is expected to be completed in the second half of 2021.

AKOFS Offshore, which is 50 per cent owned by Akastor, owns three specialised offshore vessels. AKOFS Seafarer entered into a five-year contract with Equinor in October 2020. AKOFS Wayfarer is on contract until 2022. Skandi Santos ended its long-term contract in 2020 and will be operating on a short-term contract until November 2021.

In the fourth quarter of 2020, Akastor took over the remaining 50 per cent of the shares in DOF Deepwater. The company, which owns five offshore vessels, has changed its name to DDW Offshore. In connection with the transaction, an agreement was entered into with the lenders that will ensure operations until the second half of 2023. Akastor's intention is to realise the values by 2023.

The global oil & gas manpower specialist NES Global Talent merged with Fircroft Group in 2020. In the combined company, NES Fircroft, Akastor has approximately 15 per cent of the financial interests.

Akastor's operating revenues totalled NOK 4.6 billion in 2020, compared to NOK 5.4 billion the year before. EBITDA was NOK 331 million, compared to NOK 492 million in 2019. Akastor has a liquidity reserve of NOK 1.7 billion at the end of 2020.

Aker's priority as an active owner is for Akastor to develop and realise the value of its investments. Transactions that have been completed show that Akastor's portfolio companies often have an added value, which becomes visible through industrial constellations in larger and more efficient units. These efforts continue.

Akastor's share price stood at NOK 7.08 at the end of the year, down from NOK 9.94 at the end of 2019. No dividend is proposed for the fiscal year 2020.

Aker Horizons

Aker Horizons was established as an investment company in July 2020, and its investments are aimed at renewable energy and green technology areas.

Aker Horizons has a competent and dedicated team with a flexible mandate for active ownership in the efforts to building forward looking companies. Kristian Røkke, previous Chief Investment Officer in Aker ASA, is employed as CEO.

The company's ambition is to be a driving force in decarbonisation and environmental improvements through ownership in companies that develop and deliver industrial solutions. The goal is to build a platform for long-term value creation, where Aker Horizons can benefit from technologies, industrial expertise, and industrial software in Aker-owned companies. Aker Horizons sets the strategic direction, and has financial strength, capital market expertise and execution power. Each of the portfolio companies in Aker Horizons will strive to create value in collaboration with Aker, Aker-owned companies, and other players in the value chain.

The first two growth platforms under Aker Horizon's ownership are Aker Carbon Capture and Aker Offshore Wind. The two companies were spun off from Aker Solutions in the third quarter of 2020. Private placements were carried out prior to the companies being listed on Euronext Growth, through which Aker Horizons invested NOK 330 million in Aker Carbon Capture and NOK 320 million in Aker Offshore Wind. Aker Horizons owns 51 per cent of the shares in each of the companies.

Aker Offshore Wind is developer of wind farms and solutions for floating offshore wind installations. The company builds on decades of expertise and experience from offshore oil, gas and energy projects, and is the largest owner of the international wind technology company Principle Power.

Aker Carbon Capture is a carbon capture company with its own solutions, services, and technologies to handle CO_2 challenges. The company is based on the Aker Group's more than 20 years of experience with technology and operation of carbon capture plants.

The two companies have attracted positive attention in the capital market. From the listings in August until the end of 2020, the two companies have contributed to NOK 7.6 billion increase in value in Aker Horizons.

With Aker Horizons, a 'green flag' has been planted for new growth in Aker. The activity level has been high into the first weeks of 2021. In January 2021, Aker Horizons announced that it had entered into an agreement to acquire 75 per cent of the shares of Mainstream Renewable Power, a company that since 2008 has developed an international position in onshore wind, offshore wind, and solar energy. Mainstream has 335 employees in 11 countries. The transaction values Mainstream at EUR 900 million, on a 100 per cent basis, and it is expected that the transaction will be closed in the second quarter of 2021.

Aker Horizons also announced in January 2021 the acquisition of the hydropower technology company Rainpower. Through a total investment of approximately NOK 100 million for the shares and the strengthening of the Rainpower's balance sheet, Aker Horizons is claiming a position in the hydropower market. In the same month, a cooperation agreement was entered into with Statkraft to realise offshore wind projects in Norway, with the first collaboration being for bottom-fixed wind in the Southern North Sea II area.

Aker's investment and 24.7 per cent ownership in REC Silicon was transferred to Aker Horizons prior to the listing of Aker Horizons on Euronext Growth on 1 February 2021. The listing took place after Aker Horizons completed a private placement of NOK 4.6 billion and the issuance of a convertible bond of NOK 1.5 billion. Aker invested NOK 500 million in the share issue and NOK 1.2 billion in convertible bonds. The share issue of NOK 35 per share valued Aker Horizons at approximately NOK 20 billion on a 100 per cent basis. Aker owns 80 per cent of the company, which aims to be listed on the Oslo Stock Exchange's main list in the second quarter of 2021.

The capital market has shown great and growing interest in green companies since the summer of 2020, and Aker has benefited from this development. In February 2021, Aker Horizons issued a green unsecured bond loan of NOK 2.5 billion, maturing in August 2025. The loan has an interest rate of three-month Nibor + 3.25 per cent per year.

Aker Horizons has in a short time established a robust capital structure that provides a good basis for future growth. This applies to existing companies under the Aker Horizons umbrella, and the newly established Aker Clean Hydrogen, which opens industrial opportunities in the global hydrogen market together with, among others, Yara and Statkraft. Aker Clean Hydrogen complete a private placement of NOK 3.45 billion ahead of its Initial Public Offering on Euronext Growth Oslo on 11 March 2021.

Ocean Yield

Ocean Yield is a ship-owning company. Its mandate is to build a diversified portfolio of modern vessels on long-term charters to creditworthy counterparties.

At the end of 2020, Ocean Yield had a fleet consisting of 68 vessels with an average age of 4.5 years. The vessels are leased to shipping companies and have an average remaining contract tenor of 9.8 years. The EBITDA order backlog from fixed contracts was USD 2.9 billion as of 31 December 2020.

In 2020, the company made investments of USD 155 million in five new vessels. The COVID-19 pandemic combined with the significant drop in oil prices in the first quarter of 2020, led to volatile shipping and financial markets. There has therefore been lower activity in the market for bareboat contracts than normal. In light of the market situation, Ocean Yield - with support from Aker - chose to reduce dividends to shareholders in 2020. Ocean Yield has a strong history of paying dividends for 30 consecutive quarters.

EBITDA was USD 241 million in 2020, compared to USD 218 million the year before. In 2020, Ocean Yield wrote down the FPSO Dhirubai-1 and the construction and cable-laying vessel Connector, and the latter vessel has been sold.

Aker supports Ocean Yield's strategy of building a larger company over time through value-adding transactions and further diversification of the portfolio. Growth will primarily be achieved through the purchase of new vessels on long-term charters. Diversification helps to make the company more robust to fluctuations in certain segments.

Ocean Yield's share price stood at NOK 26.55 at 31 December 2020, down from NOK 48.00 at the end of 2019. Aker received dividends from Ocean Yield of NOK 347 million (NOK 3.21 NOK per share) in 2020.

Aker BioMarine

Aker BioMarine is an integrated biotechnology company that harvests krill in the Antarctic Ocean and develops, manufactures, markets, and sells krill-based ingredients and products to the consumer health, animal nutrition and aquaculture markets.

The company is vertically integrated and controls the entire value chain, from sustainable krill harvesting from three vessels in Antarctica, to research, product development, production, logistics and marketing. Aker BioMarine has built long-term partnerships with leading branded goods and distribution companies, environmental protection organisations, and researchers.

Aker BioMarine's core products are QRILL™ Aqua, a high-quality ingredient for the aquaculture industry, Superba™ Krill Oil, a phospholipid-based omega-3 dietary supplement for the consumer market, and QRILL™ Pet, an omega-3 ingredient for pets.

2020 was an eventful year for Aker BioMarine. In July, the company completed a private placement of USD 225 million, followed by a listing on Euronext Growth. The transaction, which reduced Aker's shareholding from 98.0 to 77.8 per cent, demonstrated an added value to Aker's shareholders of NOK 5.6 billion.

Aker BioMarine launched its own brand for omega-3 supplements, Kori, to consumers in the US, launched the product Lysoveta™ aimed at eye and brain health, and the business concept Aion which will offer circular waste solutions in the global market.

The company's operating revenues increased by 17 per cent in 2020 to USD 289 million, up from USD 246 million the year before. EBITDA was USD 57 million, up from USD 46 million in 2019.

Aker BioMarine is well positioned for geographical expansion, and to maintain sales of the products in the higher price segments using its full value chain, innovative products, and stable, long-term partnerships. The ambition is to create a larger and more robust company with profitable growth and effective operations and efficient supply chains in target industries.

Aker BioMarine's share price was NOK 117.50 as of 31 December 2020, valuing Aker's share investment at NOK 8 billion. One year earlier, the equity investment was accounted for at NOK 2.4 billion.

Cognite

Cognite is a fast-growing industrial software company that enables companies in the energy sector and heavy-asset industries to improve operations through efficient data collection and sharing.

The company's core product, Cognite Data Fusion, continuously collects, processes, and make vast amounts of data available for industrial customers. The key to scalable industrial digitalization is that data can be shared in real time to, among other things, optimize production, reduce energy consumption, monitor production processes, report irregularities and plan maintenance in an efficient manner. A significant part of Cognite's revenue comes from licensing and subscriptions.

In 2020, Cognite secured important strategic partnerships. Accel - one of the world's leading technology and software venture companies - entered as a minority owner and partner in Cognite. Aker continues as the majority owner, and Accel became the largest minority owner through a Series A investment round. Accel has expertise and experience that will contribute to further scaling and commercialization of Cognite's products.

In addition, Cognite entered into a global partnership agreement with Microsoft through which the Cognite Data Fusion platform will be fully integrated into Microsoft Azure. Furthermore, the company entered into an agreement with world's largest oil producer, Saudi Aramco, to establish a company that will contribute to digitalization projects in Saudi Arabia, the Middle East region, and North Africa. The jointly owned company, which will be owned 51 per cent by Saudi Aramco and 49 per cent by Cognite, is a result of Aker's good relationship with Saudi Aramco over many years.

In 2020, Cognite strengthened its position in the oil and gas industry, energy and power supply, renewable energy, "green" technology, process and manufacturing, and shipping. This is a good starting point for further international expansion, continued recruitment of talent from around the world, further development of good relationships with customers and partners and creating new business.

Cognite continues to attract highly qualified employees from across the globe. The company has 402 employees as of 31 December 2020, compared with 236 one year earlier.

In 2020, the company had operating revenues of NOK 532 million, compared with NOK 340 million in 2019. EBITDA was negative by NOK 157 million, compared with negative NOK 15 million in 2019. The development reflects Cognite's rapid growth, significant technology investments while developing a competent organization.

As the main owner, Aker is a driver for investments in the growing industrial software market. Cognite and Cognite Data Fusion help to renew existing industries and create new business opportunities, making industries more profitable and sustainable through lower energy consumption and lower emissions. These are important drivers for Aker as an active owner working closely with Cognite's development.

International expansion, continued recruitment of talent from around the world, further development of customer relationships and partner and collaboration opportunities, are still important points on Aker's ownership agenda. When the time is right, the plan is to list Cognite on the stock exchange.

Aker owned 62.0 per cent of Cognite at the end of 2020, and the share investment is valued at NOK 2.8 billion. One year earlier, the investment was valued at cost of NOK 42 million. The increase is due to the transaction with Accel, based on a valuation of 100 per cent of the shares at USD 550 million after the last tranche in the private placement is completed in 2021.

b. Financial investments

Financial investments comprise all Aker assets not defined as industrial holdings, including cash, other listed investments, real estate, and other investments. The value of Aker's financial investments amounted to NOK 7.2 billion at 31 December 2020, making up 11 per cent of Aker's net asset value.

Aker's cash holdings decreased to NOK 1.3 billion in 2020, from NOK 3.7 billion the previous year. The decrease is mainly attributable to Aker having paid NOK 1.7 billion in dividends to the company's shareholders in 2020, as well as net repayment of interest-bearing debt of NOK 1.3 billion. Investments were made in Aker Horizons for a total of NOK 1.1 billion, including participation in the share issue in REC Silicon. Other investments amounted to NOK 0.5 billion. Total operating and financial expenses amounted to NOK 0.6 billion, and realised losses on foreign exchange contracts and derivatives amounted to NOK 0.2 billion. This was partially offset by NOK 2.3 billion in dividends received from portfolio companies and net repaid receivables from Aker BioMarine corresponding to NOK 1.0 billion including accrued interest. Aker has a conservative approach to management of its cash portfolio, spreading deposits between several banks with high credit ratings.

The value of other listed investments stood at NOK 2.4 billion at year-end 2020, up from NOK 0.9 billion in 2019. Aker's investment in REC Silicon increased by NOK 1.3 billion in 2020, including a NOK 300 million Aker participation in in the share issue carried out by the company in the autumn of 2020.

Aker's investment in the real estate company Aker Property Group was booked at NOK 508 million as of 31 December 2020. In the autumn of 2020, the company sold its residential real estate investments at Fornebu. NOK 457 million of the proceeds were distributed to Aker in the form of dividends and repayments of loan.

Other financial investments consist of equity investments, internal and external receivables, and other assets. The value of other financial investments was NOK 3.0 billion at 31 December 2020, compared to NOK 2.5 billion at year-end 2019.

3. Presentation of annual accounts

Aker ASA's annual accounts consist of the consolidated financial statements, the separate financial statement of the parent, and the combined financial statements for Aker ASA and holding companies. It is the latter financial statements that are highlighted in Aker's internal and external reporting. The combined accounts show the aggregate financial position of the holding companies, including total available liquidity and net debt relative to the investments in the underlying operational companies. The NAV for Aker ASA and holding companies forms the basis for Aker's dividend policy.

Pursuant to section 3-3a of the Norwegian Accounting Act, it is confirmed that the accounts have been prepared based on the assumption that Aker is a going concern and the board confirms that this assumption continues to apply.

a. Combined accounts for Aker ASA and holding companies

Combined income statement

The combined profit and loss account for Aker ASA and holding companies (Aker) shows a pre-tax profit of NOK 5.2 billion for 2020, compared to a profit of NOK 2.2 billion in 2019. The change is mainly due to reversed write-downs on the investment in Aker BioMarine AS of NOK 2.6 billion, and realised positive value changes totalling NOK 1.9 billion for the transfer of the share investments in Aker Carbon Capture AS and Aker Offshore Wind AS to Aker Horizons AS. In 2020, Aker received NOK 2.3 billion in dividends from the portfolio companies, compared to NOK 3.5 billion in 2019. Aker received NOK 1.6 billion in dividends from Aker BP, NOK 347 million from Ocean Yield, and NOK 244 million from Aker Property Group in 2020. Operating expenses amounted to NOK 270 million in 2020, compared to NOK 267 million in 2019. Net interest expenses and other financial items amounted to NOK 589 million.

Combined balance sheet

The combined balance sheet for Aker ASA and holding companies shows a total book value for assets of NOK 28.8 billion as of December 31, 2020, including long-term equity investments of NOK 25.0 billion, and cash holdings of NOK 1.3 billion. The asset value amounted to NOK 63.9 billion as of December 31, 2020. The corresponding figure for 2019 was NOK 61.9 billion.

The value of Aker's industrial holdings was NOK 56.8 billion at 31 December 2020, compared to NOK 54.2 billion at year-end 2019. The change is mainly attributable to the establishment of Aker Horizons AS, which contributed to a value increase for Aker of NOK 7.6 billion, as well as an increase in the value of the investment in Aker BioMarine of NOK 5.6 billion. In addition, the value of Cognite was in the autumn of 2020 visualized through the transaction with Accel, and the value of Cognite was increased by NOK 2.8 billion to reflect this new reference point for fair value. The positive value changes were partially offset by negative value changes on other investments, mainly negative value changes for Aker BP with NOK 10.3 billion and Ocean Yield with NOK 2.3 billion in 2020.

The value of Aker's financial investments was NOK 7.2 billion at year-end 2020, against NOK 7.7 billion as of December 31, 2019. Cash holdings decreased from NOK 3.7 billion to NOK 1.3 billion in 2020. The changes are accounted for in the section above on Financial Investments.

Gross interest-bearing debt amounted to NOK 10.4 billion as of December 31, 2020, down from NOK 11.6 billion a year prior. Net interest-bearing liabilities totalled NOK 7.2 billion at year-end 2020, up from NOK 6.7 billion at year-end 2019.

In 2020, the AKER10 and AKER13 bonds were repaid on maturity, and the USD 100 million bank loan was refinanced to a NOK 1 billion bank loan. As of December 31, 2020, the total outstanding bond debt amounted to NOK 4.5 billion. Bank debt totalled NOK 5.9 billion. Total undrawn credit facilities amounted to NOK 3.0 billion as of December 31, 2020.

Aker's NAV at December 31, 2020 was NOK 53.4 billion, compared to NOK 50.0 billion at year-end 2019.

b. Group accounts

The main companies included in Aker's consolidated accounts are Aker Horizons, Ocean Yield, Aker BioMarine, Aker Energy, Aker Property Group, Cognite and Philly Shipyard. Aker BP, Aker Solutions, and Akastor are accounted for as associates. Aker Solutions and Akastor are accounted for as associates from December 2020 as consequence of the dissolution of the common ownership with the Norwegian State through Aker Kvaerner Holding AS. The deconsolidation of Aker Solutions and Akastor explains many of the changes to the consolidated balance sheet from 2019. The 2019 figures in the income statement have been restated in accordance with IFRS as a consequence of the deconsolidation.

Income statement

The Aker Group had operating revenues of NOK 6.8 billion in 2020, compared to NOK 5.6 billion the previous year. Total operating expenses came in at NOK 4.9 billion in 2020, which was at the same level as in 2019. The increase in operating revenues is mainly explained by increased activity in Aker BioMarine and Philly Shipyard.

In 2020, depreciation and amortisation amounted to NOK 1.1 billion, against NOK 0.9 billion the previous year. Impairment charges in 2020 totalled NOK 1.5 billion, mainly as a result of Ocean Yield's write-downs and loss on sale of the vessels Connector and Høegh Xiamen of NOK 1.3 billion in total.

Net financial expenses were NOK 1.7 billion in 2020, which is at the same level as in 2019.

Pre-tax profit from continued operations showed a loss of NOK 2.1 billion in 2020, compared with a loss of NOK 1.5 billion in 2019. In 2020, the group had a net tax income of NOK 211 million, resulting in a net loss from continued operations of NOK 1.9 billion in 2020. In 2019, the tax expense was NOK 49 million, with a net negative result from continuing operations of NOK 1.5 billion. Profit from discontinued operations was NOK 0.8 billion for 2020, compared with a loss from discontinued operations of NOK 0.5 billion in 2019.

Balance sheet

The Aker Group's total assets amounted to NOK 58.3 billion as of December 31, 2020, compared to NOK 106.7 billion at year-end 2019. Total non-current assets were NOK 48.1 billion at December 31, 2020, compared to NOK 74.3 billion at year-end 2019. The Group's total intangible assets totalled NOK 3.3 billion as of December 31, 2020, down from NOK 12.2 billion the previous year. Of this, goodwill amounted to NOK 0.8 billion at year-end 2020, down from NOK 8.0 billion the previous year. Current assets were NOK 9.7 billion as of December 31, 2020, down from NOK 32.5 billion a year prior. The large changes to book value of assets since 2019 are explained by the deconsolidation of Aker Solutions and Akastor at the end of the year. At 31 December 2020, Aker Solutions and Akastor is accounted for as associates, not as subsidiaries.

Current liabilities amounted to NOK 7.9 billion while non-current liabilities totalled NOK 26.7 billion at year-end 2020. The corresponding figures for 2019 were NOK 25.0 billion and NOK 42.5 billion, respectively. The Group's interest-bearing debt amounted to NOK 29.9 billion at 31 December 2020, compared with NOK 40.2 billion at the end of 2019. The reductions to the liabilities side are also explained mainly by the deconsolidation of Aker Solutions and Akastor.

The Group's equity ratio was 41 per cent at the end of 2020, compared with 37 per cent at the end of 2019.

Cash flow statement

The Group's cash balance was NOK 4.8 billion as of December 31, 2020, down from NOK 12.0 billion at year-end 2019.

The Group's net cash flow from operations amounted to NOK 2.8 billion in 2020, compared to NOK 3.3 billion in 2019. The change is mainly due to reduced dividend received from Aker BP partly offset by effects of discontinued operations and changes in net operating assets and liabilities. The difference of NOK 0.9 billion between operating profit before depreciation and amortisation and net cash flow from operations in 2020 is primarily attributable to positive change in working capital and dividend received from Aker BP, partly offset by paid interests and tax.

Net cash flow from investment activities totalled negative NOK 2.8 billion in 2020, against negative NOK 8.9 billion in 2019. The cash flow for 2020 consists mainly of cash disposed in connection with the deconsolidation of Aker Solutions and Akastor and by investments in property, plant and equipment in mainly Aker Property Group and Aker BioMarine, partly offset by divestments of vessels in Ocean Yield.

Net cash flow from financing activities amounted to negative 7.1 billion in 2020, compared to positive NOK 7.9 billion in 2019. Cash flow for the year from financing activities is primarily attributable to net repayment of debt and lease liabilities of NOK 7.5 billion, and a total of NOK 2.1 billion in dividends paid. This was partly offset by increased equity in subsidiaries of NOK 2.7 billion in total, mainly in Aker BioMarine. Dividends paid are split with NOK 1.7 to shareholders in Aker ASA and NOK 0.3 billion to minority shareholders in the subsidiaries.

c. Aker ASA accounts

The parent company Aker ASA achieved a profit for the year of NOK 4 803 million in 2020, compared to NOK 179 million in 2019. The increase is mainly explained by the capital gain that arose when the ownership in Aker BioMarine AS in April 2020 was transferred to Aker Capital AS at fair value based on a third-party valuation. In addition, Aker ASA posted NOK 1 093 million in reversed write-downs for the investment in Aker Holding AS (formerly Aker Kvaerner Holding AS) due to the positive value development of underlying investments in the company.

Assets totalled NOK 29.1 billion as of December 31, 2020, compared to NOK 28.9 billion at year-end 2019. Equity amounted to NOK 22.5 billion at the end of 2020, compared to NOK 20.3 billion at 31 December 2019. This represents a 77 per cent equity ratio at the end of 2020.

Information on salary and other remuneration to executive management, as well as compensation guidelines, is presented in Note 34 to the consolidated financial statements.

Research and development

The parent company had no research and development activities in 2020. The R&D activities of the group are presented in the annual reports of the respective operational portfolio companies.

Allocation of profit and dividend in Aker ASA

The board of directors has proposed, for approval at the annual general meeting, an ordinary cash dividend of NOK 11.75 per share for 2020. The proposal reflects anticipated cash flows, financing requirements and the need for financial flexibility. Transfers to other equity amount to NOK 3.93 billion, representing the net profit of the year of NOK 4.80 billion less the proposed ordinary dividend of NOK 873 million.

Furthermore, the board proposes that the annual general meeting authorizes the board to adopt an additional dividend during 2021 based on the 2020 annual accounts. If the board, based on such an authorization, should adopt an additional dividend corresponding in amount to the ordinary dividend for 2020 of NOK 11.75 per share, the total dividend paid during 2021 will be NOK 23.50 per share. This will correspond to 3.3 per cent of NAV at the end of 2020, which is within the range of Aker's dividend policy of annually paying out 2-4 per cent of NAV.

4. Management model, corporate governance, control and compliance

Aker is a public limited liability company organised under Norwegian law and with a governance structure based on Norwegian corporate law and other regulatory requirements. The company's corporate governance model is designed to provide a foundation for long-term value creation and to ensure good control.

Aker's principal owner and Chairman of the Board, Kjell Inge Røkke, is actively involved in Aker's development.

Aker has six board members, none of whom are members of the company's management and three of whom are employee representatives. The majority of the board members are independent of company management and significant business partners. The Chairman and Deputy Chairman of the Board are elected by the General Meeting.

The Board of Aker establishes the overall principles for governance and control in Aker ASA through the adoption of various governing documents. For issues of importance and with portfolio-wide relevance, Aker ensures that relevant governing documents are implemented in the portfolio companies, within the framework of Aker's own governing documents. For example, Aker's Code of Conduct also expresses Aker's expectations of the portfolio companies' Code of Conduct. The same is true for areas such as anti-corruption and supplier conduct.

Aker follows the Norwegian Code of Practice for Corporate Governance. The company's practice is largely in accordance with these recommendations. Reference is made to the Corporate Governance Report, which is approved by the Board of Directors. See page 130.

5. Board of Directors' activities

The Board prepares an annual plan for its work, which includes recurring key topics, such as strategy review, investment planning, risk and compliance oversight, financial reporting, and budget review.

The Board annually evaluates its own performance and collective expertise.

Aker's Board of Directors held six meetings in 2020. The attendance of the board members averaged 90 per cent. In addition, seven telephone conferences were held to inform the Board of operational updates. Aker's Audit Committee held eight meetings in 2020.

Further information on the Board of Directors' and the Audit Committee's mandate and work can be found in Aker's Corporate Governance Report. The board members' shareholdings and renumerations are presented in Note 34 to the consolidated accounts.

6. Business and society

ESG (Environmental, Social and Governance) is about how Aker handles risk related to climate change and environmental challenges, and how the company handles people and social conditions - and how Aker practices corporate governance. ESG is an important premise for Aker's business strategy and investment decisions. As an owner, Aker is concerned that the portfolio companies have processes, solutions and products that contribute to sustainable development for long-term value creation for shareholders.

In 2020, there has been a strategic shift with a targeted investment in renewable energy, low-carbon solutions, and green technology. These are important solutions for solving environmental and climate challenges, and at the same time well-known industrial areas for Aker. Aided by a good capital market to invest in green companies and technologies, there have been rapid changes in the portfolio composition. For generations, Aker has built new businesses and companies on the shoulders of the existing.

The ESG work is described in a separate report approved by the board. The report is available at www.akerasa.com.

Aker aims to be an attractive employer and a preferred partner for business relations, as well as a respected social actor. Aker's most important contribution to society is to create value and develop future-oriented companies that are run in a sustainable, ethical, and socially responsible manner. Profitability is a prerequisite for being able to achieve these goals.

The operation of the parent company Aker ASA does not significantly affect the external environment.

Since its establishment in 1841, Aker's industrial core competence has been linked to the ocean. Aker's core business going forward is also related to the sea - such as maritime operations, fisheries and marine biotechnology, offshore oil and gas extraction, offshore wind and technologies that reduce CO_2 emissions. Together with the World Economic Forum (WEF), Aker has taken the initiative to establish a global technology centre for oceans and the environment. This centre, C4IR Ocean, has been operational since 2020. The goal is to use new technology to preserve the world's oceans and reduce the industry's environmental footprint. Through public-private partnerships, the centre will develop solutions for a sustainable and profitable marine economy.

The Norwegian Technology Centre is part of WEF's global network for the Fourth Industrial Revolution ("Centre for the Fourth Industrial Revolution", C4IR). Aker's portfolio companies Aker BP, Aker

BioMarine, Aker Solutions and Cognite are involved. It is also Kjell Inge Røkke's company REV Ocean. The first projects that have been implemented will reduce greenhouse gas emissions, contribute to more sustainable fishing and greener shipping. In 2020, Microsoft entered as a global "co-founder" of C4IR Ocean.

The operating portfolio companies each account for how they affect the external environment. Section 3-3c of the Accounting Act requires larger enterprises to give an account of their work to include the company's social responsibility in its business strategy and day-to-day operations. Aker has fulfilled this obligation through the board-approved ESG report which is available at www.akerasa.com.

7. Our employees

Aker ASA had 40 employees as of 31 December 2020, of which 21 were men and 19 women. The management consists of CEO Øyvind Eriksen and CFO Svein Oskar Stoknes. Kristian Røkke left the management team in August 2020 when he took over as CEO of Aker Horizons.

Aker strives to recruit more females to both leading and general positions. In recruitment processes, the company focuses on the candidates' qualifications for the position regardless of ethnic origin, religion or orientation, citizenship or other criteria that are considered irrelevant to their work.

The company strives to provide flexible working conditions to ensure that employment in Aker ASA provides opportunities for a good work-life balance. Varied and challenging work assignments and good opportunities for career development, combined with job security and competitive pay, are also important factors in making Aker ASA an attractive employer.

As of 31 December 2020, the number of employees working for companies where Aker is the main shareholder, directly or indirectly, totalled about 28,000, including contractors, of which about 17,000 worked in Norway. As the owner of portfolio companies, Aker is concerned with diversity in competence and highly qualified board members and managers who appear as role models in their companies. Women are well represented on the boards but are underrepresented in leadership roles. Aker has worked for several years to bring out more female leaders, and several of the portfolio companies have made progress in this area.

About 18 per cent of the employees working for companies where Aker is the main shareholder, directly or indirectly are women. Several of the companies where Aker has large shareholdings are cornerstones of their local communities and recruit locally. Aker has signed an international framework agreement with the Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, NITO and Tekna. This agreement established fundamental labour rights and refers to standards relating to health, safety, and the environment (HSE) work, pay, working hours and employment conditions. The agreement commits Aker to respect and support fundamental human rights and union rights in societies in which the companies operate. These principles are set out in the United Nation's Universal Human Rights Declaration, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work.

For generations, Aker has worked closely with employees' organizations. Employee representatives participate in key decision-making processes, including through board representation. Aker has entered into agreements with its employees in relevant operational companies to establish an international works council. In addition, the company's Norwegian trade unions hold annual union representative conferences and have working committees in the industrial portfolio companies Aker BP, Aker Solutions, Akastor and Aker BioMarine.

Due to volatile activity levels in the oil industry, which impact supplier industries, Aker's portfolio companies in the oil services sector have had to make necessary capacity adjustments. The feedback received so far shows that, while downsizing processes are challenging, efforts are made to carry them out within Aker's and the portfolio companies' good working relationships with the employee organisations. Constructive cooperation with union representatives and their organisations is a prerequisite for successful market adjustments and restructuring. Aker has long traditions for involving and including union representatives in processes that may entail major changes for businesses and local communities. In times of a challenging market situation, employees have contributed with a willingness and ability to adapt.

The rate of healthiness in Aker ASA was 99.2 per cent (corresponding to a rate of sick leave of 0.8 per cent) in 2020, compared with a rate of healthiness of 99.3 per cent the year before. The corresponding figure for the Aker Group was 96.8 per cent in 2020, compared with 97.4 per cent in 2019.

In dealing with the Corona pandemic, Aker has worked closely with portfolio companies. This has happened through the CEO Forum, consisting of Aker's CEO and top leaders in the industrial portfolio companies, and through established functional networks for HR, HSE and communication. In Norway, a COVID-19 medical telephone service and mental health telephone was opened for employees. A dedicated team of medical experts and other resource persons closely monitor Corona development and provide advice on measures to the CEO and CEO Forum.

As in 2019, no work-related fatalities were registered in the Aker Group in 2020. There was eleven reported accident that led to absence from work, compared to eight in 2019. The accidents are described in more detail in the operating companies' annual reports.

8. Risks and risk management

Aker has a long-standing tradition of industrial and financial risk-taking. The company has evolved with the economic cycles and its strategy has adapted to changes in the underlying markets and company-specific issues in its portfolio. As presented in their respective notes to the financial statements, Aker ASA, the Aker Group, and Aker ASA and holding companies are exposed to financial risk, the oil price, currency and interest rate risk, liquidity risk, market risk, credit risk, counterparty risk, and operational risk in the underlying companies.

Aker has established a model for risk management based on the identification, assessment, and monitoring of major financial, strategic, climate-related, and operational risk factors for each business segment. Contingency plans have been prepared for these risk factors and their implementation is ensured and monitored. Identified risk factors and how they are managed are reported to the board of Aker on a regular basis.

Aker's risk management is based on the principle that risk assessment is a natural part of all business operations. Consequently, management of operational risk lies primarily with the underlying operating companies, but Aker actively monitors risk management through its participation on the boards of the various companies.

Aker's main strategy for mitigating risk associated with short-term value fluctuations is to maintain a solid financial position and strong creditworthiness. Aker has established financial guidelines that regulate monitoring and follow-up for financial risk issues. Key governance parameters have been identified and are closely monitored. A finance committee has been appointed to focus specifically on issues and decisions related to financial investments, debt financing and foreign exchange.

Financial market exposures, including currency, interest, and liquidity risks, are discussed in greater detail in Note 34 to the consolidated financial statements.

The main risk factors to which Aker is exposed relate to changes in the value of listed assets due to fluctuations in market prices. Developments in the global economy, particularly in energy prices, as well as currency fluctuations, are important variables when assessing short-term market fluctuations. These variables may also influence the underlying value of Aker's unlisted assets. Aker is also exposed to the risk of insufficient access to external financing which may affect the liquidity situation in the companies, which is also further emphasised by the increased attention on ESG issues. Aker and portfolio companies seek to reduce the risk by maintaining a solid liquidity reserve, and by proactively planning refinancing activities, as well as strict compliance with environmental regulations. Climate-related risk conditions also present business opportunities for Aker and portfolio companies. In 2020, Aker established the investment company Aker Horizons to exercise active ownership within renewable energy and green technology, which exposes the company to technology and performance-related risks.

Like Aker, the companies in Aker's industrial portfolio are exposed to commercial, financial and market risks. In addition, these companies, through their business activities within their respective sectors, are also exposed to risk factors related to climate change, laws and regulations, as well as political risk, such as policy decisions on petroleum taxes, environmental regulations, and operational framework conditions, including major accidents that may have a significant financial impact.

Oil prices continue to be volatile and constitute a source of uncertainty. Aker BP's revenue and cash flow are directly affected by fluctuations in oil prices, and variations in oil prices can also impact the activity level of Aker's oil service companies, including Aker Solutions and Akastor. The activity level affects the supplier companies' and Ocean Yield's counterparties, and the companies are therefore monitoring counterparty risk closely.

For further information on Aker's risk management, see the report on Corporate Governance on page 130.

9. Outlook

Investments in listed shares comprised 87 per cent of Aker's assets as of 31 December 2020. 56 per cent of Aker's assets were associated with the oil and gas sector through Aker BP, Aker Solutions and Akastor. Renewable energy and green technology, mainly through Aker Horizons, amounted to 16 per cent at the end of 2020. In the first quarter of 2021, this sector was expanded through Aker Horizons' acquisition of 75 per cent of the shares in the wind power and solar energy company Mainstream Renewable Power, the acquisition of the hydropower technology company Rainpower, and the establishment by Aker Clean Hydrogen. Seafood and marine biotechnology accounted for 13 per cent of the values with Aker BioMarine as the largest investment. Industrial software through Cognite and Aize accounted for 5 per cent, and maritime investments in Ocean Yield and American Shipping Company 5 per cent. In addition, cash and other assets were 5 per cent at the end of 2020.

The largest turnaround of the portfolio through 2020, and in the first quarter of 2021, has taken place in renewable energy and green technology, and software offered by Cognite and the newly established Aize and Seetee. In the first quarter of 2021, Seetee also invested about NOK 500 million in Bitcoin. Within the renewable energy and green technology sectors, a strong growth of demand is expected, and thereby also an investment rise. The International Energy Agency (IEA) estimates that demand for renewable energy, mainly wind and solar power, will increase by more than 300 per cent by 2040 in the so-called "Stated Policies Scenario" and by almost 700 per cent in the so-called "Sustainable Development Scenario".

Installed wind power set a new record in 2020, according to data from Bloomberg, and the increase continues in 2021. After 2021, offshore wind installations are expected to increase faster than land-based installations, and by 2030, the global offshore wind capacity is expected to sixfold.

The largest investments in offshore wind are expected to take place in China, Great Britain, the United States and Germany. Further growth in global solar energy is also expected as more and more countries have set zero emission targets. Thus, projects that were previously expected to be completed in the 2030s will probably be accelerated to the current decade. Hydrogen, as an energy carrier, had a breakthrough in 2020 due to several countries announcing specific plans to include hydrogen as part of their energy policy. These investment plans are expected to help cut hydrogen production costs drastically in the years to come. The market share of hydrogen is likely to increase, in particular within industrial production, power generation and heavy transport in the future.

Ammonia is used in fertilizers and is also a hydrogen carrier that could become a winner in the coming years as it makes shipping hydrogen cheaper. Ammonia is thus very relevant as an energy carrier for international shipping and for areas that do not have access to pipelines to transport hydrogen. Aker Horizon's newly established company Aker Clean Hydrogen will develop projects in the growing global hydrogen market. A letter of intent has been signed with Yara and Statkraft, creating a partnership to produce and develop a value chain for green hydrogen and green ammonia in Norway with Herøya as the first project. This project can be realised in 5-7 years.

The world needs a major increase in renewable energy projects going forward to achieve the set climate goals. Adopted policies in the US, EU and China are expected to support growth in the renewable segment for many years to come.

With new investments in renewable energy and green technology, Aker has diversified its portfolio, but still believes in investments in the oil and gas sector. Following the oil price shock in 2014-16, global investments in the sector were sharply reduced, and thereby contributed to lower earnings for a supplier industry that was already characterized by overcapacity. In the years 2017-19, oil investments began to increase gradually before hitting a sharp decrease again in 2020. Communicated investment plans from the major oil companies show that investments will remain low also in 2021.

The ESG investor focus and fear that the global oil demand will soon reach its peak, contributed to lower investments even before COVID-19 occurred in 2020. This ensures that most oil companies will continue to act disciplined with regard to investments in the oil sector even if oil demand should rise again. The oil companies are likely, following pressure from investors, to continue prioritizing dividend payments, repurchases of shares and repayment of debt over investments in increased oil production. The global market for suppliers in the oil industry is still expected to be challenging as a result of a persistently low order intake outside the Norwegian continental shelf. This is one of the reasons why Aker's supplier companies are focusing more and more on renewable energy and low-carbon solutions in the years to come. Cost cuts and increasing efficiency in the supplier industry have been useful for upstream oil and gas companies, such as Aker BP, which have achieved lower prices with suppliers, and thus improved cash flow even with lower oil prices than before.

Aker expects that the global oil demand will increase once we have completed the mobility restrictions implemented to limit the spread of COVID-19. Vaccines will restore mobility while a meaningful electrification of the global car fleet is a decade away. Global growth in oil demand is expected to continue in the emerging economies, mainly driven by megatrends such as population growth, a growing middle class and urbanization. At the same time, growth in global oil production is expected to be weak due to OPEC's production policy, low investment and increased capital and regulatory costs for the US shale oil industry. An important point is that two-thirds of the newly started oil fields globally over the past ten years have contributed to maintaining production, while only one-third have covered growth in demand. Another megatrend that is expected to support oil prices going forward is the increased cost of capital for the oil industry in general. Capital costs are driven higher by the increased ESG focus from both lenders and investors in addition to increased scepticism about demand growth.

The increasing ESG focus could thus lead to weaker growth in oil production than in oil demand in the future, which, in that case, will contribute to high oil prices. Possible inflationary pressures from expansionary fiscal policies, both to save jobs in connection with COVID-19 and to stimulate renewable energy, will also contribute supportively to oil prices as the cost of capital rises. At the same time, owning oil is considered by investors to be one of the best protections against inflation.

Major oil price fluctuations are expected also in the future, but Aker is well positioned to take advantage of this through its low debt ratio and good liquidity supply. Aker will thus continue to invest in the oil and gas sector and expects solid contributions to the cash flow from these investments in the future.

Aker's oil-related supplier companies will continue their efforts to strengthen competitiveness through higher productivity, operational improvements, efficiency, standardization and technology improvements, and explore opportunities for strategic partnerships and alliances.

As a result of COVID-19 and the volatile shipping and financial market, the activity in the market for sale / lease-back of ships has been lower than in previous years. The situation requires a focus on diversifying the capital structure. Ocean Yield has identified several interesting investment opportunities. In the short term, the main priority is to find a solution for Dhirubhai-1.

Aker BioMarine works long-term to diversify its market exposure, both in terms of industries and geographies. Its target markets are aquaculture, especially feed supplements for salmon farming, and the dietary supplement market in Asia, Europe, North America and

Australia. The salmon market has had a positive development for several years. The market for krill-based dietary supplements in the consumer market continued to grow in 2020, and is undergoing a positive development.

The market for industrial software continues to grow rapidly and Aker is well positioned with Cognite and Aize. Accel, which is an internationally recognized venture company in technology and software, has become a partner and minority owner in Cognite, and will contribute to further scaling and commercialization of Cognite's computer platform and products in emerging markets. Aize is a start-up industrial software company with focus on industrial applications, initially mainly to the oil and gas industry.

As a result of the corona pandemic and uncertainty, Aker BP and Ocean Yield - with the support of Aker as the largest owner in both companies - chose to reduce dividends to shareholders in 2020. Both companies have the ambition to pay an attractive dividend in the coming years, and thus provide a significant contribution of cash flow to Aker. No dividends from Aker Solutions, Aker Horizons, Aker BioMarine or Cognite are expected in 2021.

Aker's strong balance sheet and liquid portfolio enable the company to meet any unforeseen operational challenges in portfolio companies and short-term fluctuations in markets, which can also provide opportunities for value-creating investment opportunities. As an industrial investment company, Aker will primarily use its resources and expertise to support and promote the development of the companies included in its portfolio, and assess new investment opportunities.

Fornebu, 24 March 2021
Aker ASA

Kjell Inge Røkke (sign)
Chairman

Kristin Krohn Devold (sign)
Director

Karen Simon (sign)
Director

Atle Tranøy (sign)
Director

Tommy Angeltveit (sign)
Director

Arnfinn Stensø (sign)
Director

Øyvind Eriksen (sign)
President and CEO

Annual accounts

Aker Group

Income statement and total comprehensive income

INCOME STATEMENT

Amounts in NOK million	Note	2020	2019 Restated*
Continued operations			
Operating revenue	*9,10*	**6 810**	5 617
Cost of goods and changes in inventory		**(1 016)**	(1 113)
Wages and other personnel expenses	*11*	**(1 530)**	(1 220)
Other operating expenses	*11*	**(2 311)**	(2 503)
Operating profit before depreciation and amortisation	*9*	**1 952**	780
Depreciation and amortisation	*12*	**(1 095)**	(900)
Impairment charges	*12*	**(1 474)**	(65)
Operating profit	*9*	**(617)**	(185)
Financial income	*13*	**560**	259
Financial expenses	*13*	**(2 276)**	(1 925)
Share of profit of equity accounted companies	*17*	**210**	395
Profit before tax	*9*	**(2 122)**	(1 457)
Income tax expense	*14*	**211**	(49)
Profit for the year continued operations	*9*	**(1 911)**	(1 506)
Discontinued operations			
Profit for the period from discontinued operations net of tax	*8*	**849**	(498)
Result for the year		**(1 062)**	(2 004)
Attributable to:			
Equity holders of the parent	*9*	**1 427**	(1 533)
Minority interests	*24*	**(2 489)**	(471)
Result for the year		**(1 062)**	(2 004)
Weighted average number of outstanding shares	*23*	**74 269 501**	74 271 928
Earnings per share[1)]	*23*		
Earnings per share continued operations		**(21.34)**	(15.14)
Earnings per share discontinued operations		**40.56**	(5.50)
Earnings per share		**19.22**	(20.64)

1) Profit attributable to equity holders of the parent/weighted average number of outstanding shares
**) See Note 8*

TOTAL COMPREHENSIVE INCOME

Amounts in NOK million	Note	2020	2019
Result for the year		**(1 062)**	(2 004)
Other comprehensive income, net of income tax			
Items that will not be reclassified to income statement:			
Defined benefit plan actuarial gains (losses)	*27*	**(77)**	(149)
Equity investments at FVOCI - net change in fair value		**(95)**	31
Items that will not be reclassified to income statement		**(172)**	(118)
Items that subsequently may be reclassified to income statement:			
Changes in fair value of cash flow hedges		**2**	113
Reclassified to profit or loss: debt investments at FVOCI, translation and cash flow hedges		**(488)**	(145)
Currency translation differences		**(306)**	156
Changes in other comprehensive income associates and joint ventures	*17*	**(429)**	111
Items that subsequently may be reclassified to income statement		**(1 221)**	235
Change in other comprehensive income, net of tax	*13,14,25*	**(1 393)**	117
Total comprehensive income for the year		**(2 455)**	(1 887)
Attributable to:			
Equity holders of the parent		**410**	(1 351)
Minority interests		**(2 866)**	(536)
Total comprehensive income for the year		**(2 455)**	(1 887)

Balance sheet at 31 December

Amounts in NOK million	Note	2020	2019
ASSETS			
Property, plant and equipment	15	**8 918**	18 287
Intangible assets	16	**3 295**	12 154
Right-of-use assets	19	**762**	4 827
Deferred tax assets	14	**90**	1 261
Investments in equity accounted companies	17	**21 633**	20 833
Interest-bearing non-current receivables	6,18	**552**	1 140
Non-current finance lease receivables	19	**12 195**	13 513
Other shares and non-current assets	20	**675**	2 236
Total non-current assets		**48 120**	74 252
Inventories	21	**1 131**	1 838
Trade receivables and other interest-free receivables	22	**1 959**	15 552
Calculated tax receivable	14	**128**	133
Derivatives	31	**2**	229
Interest-bearing current receivables	6,18	**89**	642
Current finance lease receivables	19	**1 625**	2 040
Cash and cash equivalents	6,9	**4 808**	12 018
Total current assets		**9 742**	32 454
Assets classified as held for sale	8	**461**	-
Total assets	9	**58 322**	106 706

Amounts in NOK million	Note	2020	2019
EQUITY AND LIABILITIES			
Paid-in capital	*23*	**2 324**	2 332
Translation and other reserves	*25*	**2 591**	3 855
Retained earnings		**12 508**	12 653
Total equity attributable to equity holders of the parent		**17 424**	18 840
Minority interests	*24*	**6 290**	20 414
Total equity		**23 714**	39 253
Interest-bearing non-current liabilities	*6,26*	**24 738**	33 425
Non-current lease liabilities	*19*	**564**	5 751
Deferred tax liabilities	*14*	**96**	661
Pension liabilities	*27*	**54**	1 309
Other interest-free non-current liabilities	*28*	**495**	1 222
Non-current provisions	*29*	**729**	101
Total non-current liabilities		**26 676**	42 470
Interest-bearing current liabilities	*6,26*	**5 173**	6 762
Current lease liabilities	*19*	**162**	831
Trade and other payables	*30*	**2 419**	15 160
Income tax payable	*14*	**15**	117
Derivatives	*31*	**122**	414
Current provisions	*29*	**22**	1 673
Total current liabilities		**7 913**	24 957
Total liabilities		**34 589**	67 427
Liabilities classified as held for sale	*8*	**19**	26
Total equity and liabilities	*9*	**58 322**	106 706

Fornebu, 24 March 2021
Aker ASA

Kjell Inge Røkke (sign)
Chairman

Kristin Krohn Devold (sign)
Director

Karen Simon (sign)
Director

Atle Tranøy (sign)
Director

Tommy Angeltveit (sign)
Director

Arnfinn Stensø (sign)
Director

Øyvind Eriksen (sign)
President and CEO

Consolidated statement of changes in equity

Amounts in NOK million	Note	Total paid-in capital	Trans-lation reserve	Fair value reserves	Hedging reserves	Total translation and other reserves	Retained earnings	**Total equity of equity holders of the parent**	Minority interests	**Total equity**
Balance at 31 December 2018	*23-25*	2 331	3 722	(114)	10	3 618	16 061	**22 009**	19 908	**41 918**
Correction previous year		-	-	-	-	-	(21)	**(21)**	(59)	**(80)**
Impact of changes in accounting policies	*3*	-	-	-	-	-	(133)	**(133)**	(236)	**(369)**
Balance at 1 January 2019		2 331	3 722	(114)	10	3 618	15 907	**21 855**	19 613	**41 469**
Profit for the year 2019		-				-	(1 533)	**(1 533)**	(471)	**(2 004)**
Other comprehensive income	*25*	-	287	9	(59)	237	(55)	**182**	(64)	**117**
Total comprehensive income		-	287	9	(59)	237	(1 588)	**(1 351)**	(536)	**(1 887)**
Dividends		-				-	(1 671)	**(1 671)**	(676)	**(2 347)**
Own shares and share-based payment transactions		1				-	13	**14**	-	**14**
Total contributions and distributions		1	-	-	-	-	(1 658)	**(1 657)**	(676)	**(2 333)**
Acquisition and sale of minority	*7,24*	-				-	9	**9**	41	**50**
Issuance of shares in subsidiaries	*24*	-				-	(16)	**(16)**	1 971	**1 955**
Total changes in ownership without change of control		-	-	-	-	-	(7)	**(7)**	2 012	**2 005**
Balance at 31 December 2019	*23-25*	2 332	4 009	(105)	(48)	3 855	12 653	**18 840**	20 414	**39 253**
Correction previous year		-	-	-	-	-	9	**9**	18	**27**
Balance at 1 January 2020		2 332	4 009	(105)	(48)	3 855	12 662	**18 848**	20 432	**39 280**
Profit for the period 2020		-				-	1 427	**1 427**	(2 489)	**(1 062)**
Other comprehensive income	*25*	-	(835)	(69)	(83)	(987)	(30)	**(1 017)**	(376)	**(1 393)**
Total comprehensive income		-	(835)	(69)	(83)	(987)	1 397	**410**	(2 866)	**(2 455)**
Dividends		-				-	(1 745)	**(1 745)**	(343)	**(2 088)**
Own shares and share-based payment transactions		(7)				-	-	**(7)**	-	**(7)**
Total contributions and distributions		(7)	-	-	-	-	(1 745)	**(1 752)**	(343)	**(2 095)**
Acquisition and sale of minority	*7,24*	-				-	(28)	**(28)**	(413)	**(441)**
Issuance of shares in subsidiaries	*24*	-				-	(46)	**(46)**	2 777	**2 731**
Total changes in ownership without change of control		-	-	-	-	-	(74)	**(74)**	2 363	**2 289**
Issuance of shares in associated company		-				-	(8)	**(8)**	-	**(8)**
Loss of control in subsidiaries	*8,24*	-	(477)	69	132	(276)	276	**-**	(13 296)	**(13 296)**
Balance at 31 December 2020	*23-25*	2 324	2 697	(106)	-	2 591	12 508	**17 424**	6 290	**23 714**

Cash flow statement

Amounts in NOK million	Note	2020	2019 Restated
Profit before tax		**(2 122)**	(1 457)
Net interest expenses	13	**1 340**	1 463
Sales losses/gains (-) and write-downs		**1 455**	68
Unrealised foreign exchange gain/loss and other non-cash items		**448**	289
Depreciation and amortisation	12	**1 095**	900
Share of earnings in associates and joint ventures	17	**(413)**	(597)
Dividend received from associates and joint ventures	17	**2 004**	3 263
Changes due to discontinued operations and other net operating assets and liabilities		**1 209**	1 313
Cash flow from operating activities before interest and tax		**5 016**	5 242
Interest paid		**(2 104)**	(2 266)
Interest received		**217**	502
Taxes paid		**(321)**	(200)
Net cash flow from operating activities		**2 807**	3 278
Proceeds from sales of property, plant, equipment and intangible assets	15,16	**2 109**	38
Proceeds from sales of shares and other equity investments		**200**	303
Disposals of subsidiaries, net of cash disposed	8	**(3 446)**	3
Acquisitions of subsidiaries, net of cash acquired	7	**27**	(905)
Acquisitions of property, plant, equipment and intangible assets	15,16	**(1 346)**	(3 409)
Acquisitions of shares and equity investments in other companies		**(752)**	(262)
Net acquisition and disposals of vessels accounted for as finance lease	19	**(206)**	(5 004)
Net cash flow from other investments	18	**571**	346
Net cash flow from investing activities		**(2 843)**	(8 890)
Proceeds from issue of interest-bearing debt	26	**4 994**	16 772
Repayment of interest-bearing debt	26	**(11 605)**	(7 114)
Repayment of lease liabilities	19	**(905)**	(762)
Net repayment and issue of interest-bearing debt		**(7 516)**	8 896
New equity	24	**2 731**	1 383
Own shares		**(7)**	(55)
Dividends paid	23,24	**(2 088)**	(2 347)
Acquisitions of minority interest		**(244)**	-
Net cash flow from transactions with owners		**392**	(1 019)
Net cash flow from financing activities		**(7 125)**	7 877
Net change in cash and cash equivalents		**(7 161)**	2 265
Effects of changes in exchange rates on cash		**(49)**	(33)
Cash and cash equivalents at 1 January		**12 018**	9 786
Cash and cash equivalents at 31 December	9	**4 808**	12 018

Notes to the financial statements

Note 1 | Corporate information

Aker ASA is a company domiciled in Norway, with headquarters at Fornebu outside Oslo, and listed on the Oslo Stock Exchange with the ticker "AKER". Aker's 2020 consolidated financial statements include the financial statements of the parent company, Aker ASA, its subsidiaries, and interests in associated companies and jointly controlled entities.

Note 2 | Basis for preparation and estimates and assumptions

2.1 STATEMENT OF COMPLIANCE

Aker has prepared its consolidated financial statements in accordance with IFRS and associated interpretations as determined by the EU as at 31 December 2020 and Norwegian disclosure requirements pursuant to the Norwegian accounting act as at 31 December 2020. The consolidated financial statements have been prepared on a historical cost basis, with a few exceptions described in section 2.5.

The 2020 consolidated financial statements were approved by the Board of directors on 24 March 2021. The annual accounts will be submitted to Aker's annual general meeting on 28 April 2021 for final approval.

2.2 FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The consolidated financial statements are presented in million Norwegian kroner. The Norwegian krone (NOK) is the functional currency of the parent company. As a result of rounding differences, amounts and percentages may not add up to the total.

2.3 USE OF ESTIMATES AND ASSUMPTIONS

The preparation of annual financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Actual results may differ from amounts arrived at based on these assumptions. Estimates and underlying assumptions are reviewed and assessed on an on-going basis, and are based on historical experience, consultations with experts, trends and other methods which management considers reasonable under the circumstances. Changes to accounting estimates are recognised in the period in which the estimates are revised and in future periods if affected.

Areas in which, in applying the group's accounting principles, there tends to be uncertainties as to material estimations and critical assumptions and assessments, are described in the following paragraphs and in relevant notes to the accounts. The group's operational companies operate in different markets and are thus affected differently by the uncertainties that characterise the different markets.

(a) Consolidation

IFRS 10 contains a definition of control that is to be used when assessing whether investments are to be consolidated in the consolidated financial statements. Assessment of control involves the use of facts and judgment.

For 2020, this has been relevant in connection with the dissolution of the joint ownership between Aker and the Norwegian state ("the State") in Aker Kvaerner Holding AS ("AKH") in December 2020. AKH's holdings in Aker Solutions and Akastor were reduced due to the State directly taking over its share of AKH's assets in exchange for the redemption of its shares in the company, and AKH became a wholly owned subsidiary of Aker ASA.

Aker's holdings in Aker Solutions and Akastor were 33.34% and 36.7%, respectively, at the end of 2020. Based on an overall assessment, where all relevant factors have been considered, the conclusion is that the investments do not represent control in accordance with IFRS 10. The companies have therefore been deconsolidated from the time of the State's exit from AKH and will continue to be accounted for as associated companies. See more about this in Note 8.

(b) Revenue recognition

Revenue from construction contracts and other contracts with customers where the performance obligations are satisfied over time, are recognised according to progress. This method requires estimates of the final revenue and costs of the contract, as well as costs incurred to date.

For contract revenue, there are uncertainties related to recoverable amounts from variation orders and incentive payments. These are recognised when it is deemed to be highly probable that a significant revenue reversal will not occur. Contract revenue is adjusted by management's evaluation of liquidated damages to be imposed by customers typically relating to contractual delivery terms.

The project costs depend on productivity factors and the cost of inputs. Weather conditions, the performance of subcontractors and others with an impact on schedules, commodity prices and currency rates can all affect cost estimates. Although experience, use of the established project execution model and high competence reduce the risk, there will always be uncertainty related to such assessments.

The estimation uncertainty during the early stages of a contract is often large. No profit is recognised unless the outcome of a performance obligation can be measured reliably, usually at approximately 20 per cent progress. However, management can on a project-by-project basis give approval of earlier recognition if the uncertainties of cost estimates are low. This is typically in situations of repeat projects, proven technology or proven execution model. See Note 9 and 10.

(c) Warranty provisions

At the completion of a project, a provision is made for expected warranty expenditures. Based on experience, the provision is often set at one per cent of the contract value, but can also be a higher or lower amount following a specific evaluation of the actual circumstances for each contract. Both the general one per cent provision and the evaluation of project specific circumstances are based on experience from earlier projects. Factors that could affect the estimated warranty cost include the group's quality initiatives. Provisions are presented in Note 29.

(d) Impairment testing of goodwill and intangible assets with indefinite useful lives

In accordance with applicable accounting principles, the group performs annual impairment tests to determine whether goodwill and intangible assets recorded in the balance sheet have suffered any impairment. The estimated recoverable amount for cash-generating units are determined based on the present value of budgeted cash flows or estimated sales value less cost to sell if higher. See Note 12.

(e) Tax

The group is subject to income taxes in numerous jurisdictions. Significant judgment is required to determine provisions for income taxes worldwide. Aker incurs an income-tax payable and/or earns a considerable tax receivable. The group also recognises changes in deferred tax or deferred tax benefits. These figures are based on management's interpretation of applicable laws and regulations, and relevant court decisions. The quality of these estimates is largely dependent on management's ability to apply complex set of rules, its ability to identify changes to existing rules and, in the case of deferred tax benefits, its ability to project future earnings from which a loss carry-forward may be deducted for tax purposes. See Note 14.

(f) Financial instruments

The group is exposed to various risks resulting from its use of financial instruments. This includes credit risk, liquidity risk and market risk (including currency- and interest rate risk). Note 6 and Note 31 present information about the group's exposure to each of these risks, the group's objectives, the principles and processes for measuring and managing risk, and the group's capital management.

(g) Contingent assets and liabilities

As a result of their extensive worldwide operations, group companies sometimes become involved in legal disputes. Provisions have been made to cover the expected outcomes of the disputes where negative outcomes are likely and reliable estimates can be prepared. However, the final outcome of these cases will always be subject to uncertainties and resulting liabilities may deviate from booked provisions. See Note 32.

(h) Acquisition costs – exploration

The accounting policy of Aker's subsidiary Aker Energy is to temporarily recognise expenses relating to the drilling of exploration wells in the balance sheet as capitalised exploration expenditures, pending an evaluation of potential oil and gas discoveries. If resources are not discovered, or if recovery of the resources is considered technically or commercially unviable, the costs of exploration wells are expensed. Decisions as to whether this expenditure should remain capitalised or be expensed during the period, may materially affect the operating result for the period.

2.4 FAIR VALUE MEASUREMENT

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair values are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described below, based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the group has determined asset and liability classes based on their nature, characteristics and associated risks, and the applicable level within the fair value hierarchy. See Note 31.

2.5 BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on a historical cost basis, with except for the following items:

- Derivative financial instruments are measured at fair value
- Non-derivative financial instruments at fair value through profit and loss are measured at fair value
- Debt instruments at fair value through profit and loss are measured at fair value
- Contingent consideration assumed in business combinations are measured at fair value
- Net defined benefit asset or liability is recognised at fair value of plan assets less the present value of the defined benefit obligation

Note 3 | Changes in accounting policies

Some amendments to standards and interpretations are effective from 1 January 2020, but they do not have a material effect on the Group's financial statements.

Note 4 | New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the year ending 31 December 2020. The group has chosen not to early adopt any new or amended standards in preparing the consolidated financial statements for 2020. None of these standards are expected to have a material impact on the consolidated accounts at implementation.

Note 5 | Accounting principles

The accounting principles presented below have been applied consistently for all periods and companies that are presented in the consolidated financial statements. In the event of material changes to the accounting principles, comparative figures are restated in accordance with the new principles.

5.1 GROUP ACCOUNTING AND CONSOLIDATION PRINCIPLES

5.1.1 Subsidiaries

Subsidiaries are companies controlled by Aker. Control requires three elements:

a. ownership interests that give the investor power to direct the relevant activities of the investee,
b. that the investor is exposed to variable returns from the investee, and that
c. decision-making power allows the investor to affect its variable returns from the investee.

Subsidiaries are included in the consolidated accounts from the day control is achieved and until control ceases.

Acquisitions of companies that meet the definition of a business combination are recognised using the acquisition method. See further description in section 5.9 Intangible assets. Acquisitions of companies, which are not defined as business combinations, are recorded as asset acquisitions. The cost of such purchases is allocated between the individual identifiable assets and liabilities acquired based on their fair values on the acquisition date. Goodwill is not recognised in connection with such acquisitions, nor is deferred tax recognised in connection with differences arising in the recognition of such assets.

Minority interests have been disclosed separately from the parent company owners' equity and liabilities in the balance sheet, and are recorded as a separate item in the consolidated profit and loss account.

5.1.2 Investments in associates

An associate is defined as a company over which the group has significant influence, but which is not a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, without having control or joint control of those policies. The group's investments in associates are accounted for using the equity method and are initially recognised at cost. Received dividends are recognised as a reduction of the book value of the investment, and are presented as part of net cash flow from operating activities in the cash flow statement.

Investments include goodwill upon acquisition less any accumulated impairment losses. The consolidated financial statements reflect the group's share of the associate's profits or losses and equity changes, after restatement to comply with the group's accounting principles, from the time significant influence is established until such influence ceases. If the group's share of accumulated losses exceeds its interest in the entity, the group does not recognise further losses unless it has incurred or guaranteed obligations with respect to the associate. If control is achieved in stages, goodwill is measured on the date control is obtained, and any changes in the value of previously held equity interests are recognised as profits or losses.

5.1.3 Interests in joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A joint arrangement is either a joint venture or a joint operation. The classification of a joint arrangement as a joint venture or a joint operation depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Joint ventures are accounted for using the equity method and are initially recognised at cost. Received dividends are recognised as a reduction of the book value of the investment, and are presented as part of net cash flow from operating activities in the cash flow statement.

The subsidiary Aker Energy has a 50 per cent ownership interest in a license offshore Ghana, which is classified as joint operations under IFRS 11. The group recognises the investment by reporting its share of related revenues, expenses, assets, liabilities and cash flows under the respective items in the financial statements.

5.1.4 Elimination of transactions upon consolidation

Intragroup balances and transactions, and any unrealised gains and losses or revenues and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the group's interest in the investee.

5.1.5 Foreign currency translations and transactions

Items are initially recorded in the financial statements of each subsidiary in the subsidiary's functional currency, i.e. the currency that best reflects the economic substance of the underlying events and circumstances relevant to that subsidiary. Foreign currency transactions are translated into the functional currency of the respective subsidiary using the exchange rates prevailing on the date of each transaction. Receivables and liabilities in foreign currencies are translated into the functional currency using the exchange rates on the balance sheet date. Foreign currency 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 profit and loss account.

The consolidated financial statements are presented in Norwegian kroner. Financial statements of subsidiaries whose functional currencies are different from the presentation currency (NOK) are translated into NOK in the following way:

- Balance sheet items are translated using the exchange rates on the balance sheet date
- Profit or loss items are translated using the average exchange rates for the period (if the average exchange rates for the period do not provide a fair estimate of the transaction rate, the actual transaction rate is used).

Translation differences arising from the translation of net investments in foreign operations and from related hedging objects are specified as translation differences in other comprehensive income, and are specified under shareholders' equity. When a foreign entity is sold, translation differences are recognised in the profit and loss account as part of the gain or loss on the sale. Foreign exchange gains or losses on receivables from and liabilities payable to a foreign entity are recognised in the profit and loss, except when settlement is neither planned nor likely to occur in the foreseeable future. Such foreign exchange gains and losses are considered to form part of the net investment in the foreign activity and are recognised in other comprehensive income as translation differences.

5.2 DISCONTINUED OPERATIONS

A discontinued operation is a component of the group's business operations that represents a separate, major line of business or a geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

Profits or losses from discontinued operations (after tax), are reclassified and presented as a separate line item in the financial statements. The comparatives are restated accordingly.

5.3 REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

5.3.1 Revenue from contracts with customers

IFRS 15 Revenue from Contracts with customers establishes a five-step method that applies to all customer contracts. Under the standard, only approved customer contracts with a firm commitment are basis for revenue recognition. Variation orders are included when they have been approved, either verbally, in writing, or implied by customary business practice. The deliveries in the contracts are reviewed to identify distinct performance obligations, and revenue is recognised in line with how the entity satisfies these performance obligations – either over time or at a point in time. This assessment may involve significant judgement. For contracts with customers for which the performance obligations are satisfied over time, revenue is recognised over time using a cost progress method. For contracts with customers for which the performance obligations are satisfied at a point in time, revenue is recognised at the point in time when the customer obtains control of the product or the service. Details of the accounting policies and the nature of performance obligations for each of the major types of customer contracts are set out below.

Construction contracts

Under construction contracts, specialised products are built according to a customer's specifications and the assets have no alternative use to the group. If a construction contract is terminated by the customer, the group has an enforceable right to payment for the work completed to date. The contracts usually establish a milestone payment schedule.

The group has assessed that performance obligations are satisfied over time and revenue from construction performance obligations is recognised according to progress. The progress is measured using an input method that best depicts the group's performance. The input method used to measure progress is determined by reference to the costs incurred to date relative to the total estimated contract costs. Project costs include costs directly related to the specific contract and indirect costs attributable to the contract.

Variable considerations, such as incentive payments, are included in construction revenue when it is highly probable that a significant revenue reversal will not occur. Disputed amounts are only recognised when negotiations have reached an advanced stage, customer acceptance is highly likely, and the amounts can be measured reliably. Contract modifications, usually in the form of variation orders, are only accounted for when they are approved by the customers. Contract costs are mainly expensed as incurred. Expected liquidated damages (LD) are recognised as a reduction of the transaction price unless it is highly probable that LDs will not be incurred. The transaction price of performance obligations is adjusted for significant financing components to reflect the time value of money. Financing components may exist when the expected time period between the transfer of the promised goods and services and the payment is more than twelve months.

When the final outcome of a performance obligation cannot be reliably estimated, contract revenue is recognised only to the extent of costs incurred that are expected to be recoverable. The full loss is recognised immediately when identified on loss-making contracts.

Services revenue

Service revenue is recognised over time as the services are provided. The revenue is recognised according to progress or using the invoiced amounts for the period when these directly correspond with the value of the services that are transferred to the customers in the period. Progress is normally measured using an input method, by reference of costs incurred to date relative to the total estimated costs.

Sale of standard products

This revenue type involves sale of products or equipment that are of a standard nature, not made according to the customer's specifications. Customers usually obtain control of these products when the goods are delivered to the customers in accordance with the contract terms. The group has assessed that the performance obligations for such products are satisfied at a point in time, and revenue from these performance obligations is recognised at that point in time.

5.3.2 Revenue from charter agreements

Revenues related to vessel bareboat charter agreements are recognised over the charter period. Time-charter agreements may include a revenue-sharing agreement with the charterer. Revenue related to profit sharing agreements is recognised when the amount can be reliably estimated.

5.3.3 Other income

Gains and losses resulting from acquisition and disposal of businesses which do not represent discontinued operations are included in Other income within operating profit. In case of acquisitions in stages, such gains may come from the remeasurement of previously held interests in the acquired entity.

5.4 PENSION BENEFITS AND SHARE-BASED PAYMENTS

5.4.1 Pension benefits

For defined benefit plans, the liability recognised is the defined benefit obligation as at the balance sheet date, minus the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries and is measured as the present value of estimated future cash outflows. The pension cost is allocated to profit and loss over the employees' estimated time of service. Actuarial gains and losses arising from experience adjustments, changes in actuarial assumptions, and amendments to pension plans are recognised in other comprehensive income ("OCI"). The net interest expense for the period is calculated by applying the discount rate to the net defined benefit liability, thus comprises both interest on the liability and the return on the pension plan assets. The difference between the actual return on the pension plan assets and the recognised return is recognised against the OCI on an ongoing basis.

For defined contribution plans, contributions are paid into pension insurance plans. Contributions to defined contribution plans are charged to the profit and loss account in the period to which the contributions relate.

5.4.2 Share-based payments

Share-based payment expense is measured at fair value over the service period. All changes in fair value are recognised in the income statement.

5.5 EXPENSES

5.5.1 Finance expenses

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. Borrowing costs not directly attributable to the acquisition or production of a qualifying asset are recognised in profit or loss using the effective-interest method. Foreign currency gains and losses are reported on a net basis.

5.5.2 Income tax

Income tax comprises current and deferred tax. An income tax expense is recognised in the profit and loss account unless it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted as at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is calculated based on the temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse. Deferred tax is not recognised for the following temporary differences:

- initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.
- differences relating to investments in joint ventures, if it is probable that they will not reverse in the foreseeable future.
- tax-increasing temporary differences upon initial recognition of goodwill.

Deferred tax assets and liabilities are offset if:

- there is a legally enforceable right to offset current tax liabilities and assets
- they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities that intend to settle current tax liabilities and assets on a net basis, or to realise their tax assets and liabilities simultaneously.

A deferred tax asset will be recognised if it is probable that future taxable profits will be available against which the temporary difference can be utilised.

5.6 LEASES IN WHICH THE GROUP IS A LESSEE

IFRS 16 Leases, which was implemented by the Group effective from 1 January 2019, introduced a single, on-balance sheet accounting model for lessees, with optional exemptions for short-term leases and leases of low value items. The Group assesses whether a contract is or contains a lease based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. For contracts that is or contains a lease, a right-of-use asset is recognised representing its right to use the underlying assets and a lease liability representing its obligation to make lease payments.

5.6.1 Right-of-use assets

A right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and the lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is generally depreciated on a straight-line-basis over the shorter of its estimated useful life and the lease term, and is subject to impairment assessment of non-financial assets.

5.6.2 Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease payments include fixed payments and variable lease payments that depend on an index or rate. The variable lease payment that does not depend on an index or rate is recognised as expense in the period in which it is incurred.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amounts expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

5.6.3 Lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases of low-value assets (e.g. IT equipment). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

5.6.4 Vacant properties and subleases

When a separable part of a leased property has been vacated by the group is prepared for sublease, the right-of-use asset is reclassified as investment property and assessed for impairment. The investment property is measured using the cost model, meaning that the book value and depreciation of the lease term from the ROU asset is the basis for measuring also the investment property. When testing the investment property for impairment, the expected future sub-lease income is discounted to present value and compared to the value of the investment property. The cost model together with impairment assessments is also an estimate of fair value of the right-of-use asset classified as investment property.

Income from operational sub-leases on investment property is recognized as other income. Sub-leases covering the major part of the lease term in the head-lease are classified as financial sub-leases. The portion of the right-of-use asset or investment property subject to financial sub-lease is de-recognized and a sub-lease receivable is recognized in the balance sheet when the sub-lease commences.

5.7 INVENTORY

Inventory is stated at the lower of cost or net realisable value. Cost is determined by the first-in first-out (FIFO) method, or the weighted average cost formula depending on the nature of the inventory. The cost of finished goods and work in progress comprises raw materials, direct labour and other direct costs, and related production overhead (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

5.8 PROPERTY, PLANT, AND EQUIPMENT

5.8.1 Recognition and measurement

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the assets will flow to the group, and its cost can be reliably measured. Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures directly attributable to the asset's acquisition and if material the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs associated with loans to finance the construction of property, plant and equipment are capitalised over the period necessary to complete an asset and make it ready for its intended use. Other borrowing costs are expensed. When significant parts of an item of property, plant, and equipment have different useful lives, major components are accounted for as separate items of property, plant, and equipment.

A gain or loss on the disposal of an item of property, plant and equipment is determined by comparing the disposal proceeds with the carrying amount of that item; any loss is included in impairment charges.

5.8.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits associated with the asset will flow to the group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day maintenance of property, plant and equipment are recognised in profit and loss as incurred.

5.8.3 Depreciation

Depreciation is recognised in profit and loss on a straight-line basis over the estimated useful life of each major component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term or the asset's useful life, unless it is highly probable that the group will acquire ownership at the end of the lease term. Land is not depreciated. Depreciation methods, useful lives, and residual values are reviewed at each balance sheet date.

5.9 INTANGIBLE ASSETS

5.9.1 Goodwill

All business combinations in the group are recognised using the acquisition method. Goodwill represents values arising from the acquisitions of subsidiaries, associates, and joint ventures. Goodwill is allocated to cash-generating units and is tested annually for impairment. For associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment in the associates. Negative goodwill arising on an acquisition is recognised directly in the profit and loss account. Minority interests are measured at the net value of identifiable assets and liabilities in the acquired company or at fair-value including a goodwill element. The method of measurement is decided individually for each acquisition.

Goodwill is measured as a residual at the acquisition date and constitutes the sum of total consideration transferred in connection with the business combination, the carrying amount of the minority interests and the fair value of the previous ownership interest in the acquired company at the time of acquisition, less the net recognised amount (normally fair value) of the identifiable assets acquired and liabilities assumed.

Acquisitions of minority interests are accounted for as transactions with equity holders in their capacity as equity holders, and therefore no goodwill is recognised as a result of such transactions. In subsequent measurements, goodwill is valued at acquisition cost, less accumulated impairment losses.

5.9.2 Research and development

Expenditures on research activities undertaken to gain new scientific or technical knowledge and understanding are recognised in profit and loss in the period incurred.

Development expenditure that applies research findings to a plan or design for the production of a new or substantially improved product or process is capitalised if the product or process is technically and commercially feasible and the group has sufficient resources to complete development. The capitalised amount includes the cost of materials, direct labour expenses and an appropriate proportion of overhead expenses. Other development expenditure is recognised in the profit and loss account as an expense in the period in which it occurs. Capitalised development expenditures are recognised at cost less accumulated amortisation and impairment losses.

5.9.3 Other intangible assets

Expenditures on internally generated goodwill and brand names are recognised in profit and loss in the period in which they are incurred. Other acquired intangible assets (patents, trademarks and other rights), are recognised in the balance sheet at cost less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets are amortised from the date they are available for use.

5.10 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is also estimated annually at the balance sheet date irrespective of any impairment indicators. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). Goodwill acquired in a business combination is allocated to the groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (or group of units), on a pro rata basis.

An impairment loss in respect of goodwill and intangible assets that have indefinite useful lives is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed as at each reporting date as to any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

5.11 ASSETS HELD FOR SALE OR DISTRIBUTION

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. This condition is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale or distribution in its present condition.

Non-current assets and disposal groups classified as held for sale or distribution are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale or distribution are not depreciated or amortised, but are considered in the overall impairment testing of the disposal group.

Non-current asset classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from other assets in the statement of financial position. Liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. The balance sheet for prior periods is not reclassified to reflect the classification in the balance sheet for the latest period presented.

5.12 FINANCIAL INSTRUMENTS

5.12.1 Classification of financial assets

The group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). Financial assets are not reclassified subsequent to their initial recognition unless the group changes its business model for managing financial assets.

5.12.2 Recognition and derecognition of financial assets

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

5.12.3 Measurement of financial assets

At initial recognition, the group measures a financial asset (unless it is a trade receivable without a significant financing component) at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Trade receivables without a significant financing component are initially measured at the transaction price.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, impairments, and any gain or loss arising on derecognition are recognised in profit and loss.
- FVOCI: Assets that are held both for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. Net gains and losses, including any interest, are recognised in profit or loss. However, see section below regarding derivatives designated as hedging instruments.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group has irrevocably elected (an election that is made on an investment -by-investment basis) to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss when the group's right to receive payments is established.

5.12.4 Impairment of financial assets

The group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

There are mainly financial receivables (including trade receivables), contract assets and financial lease receivables that are subject to the expected credit loss model (ECL) in IFRS 9. For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

5.12.5 Financial liabilities – initial recognition, classification, subsequent measurement, gains and losses and derecognition

A financial liability is initially measured at fair value and, for a financial liability not at FVPL, net of transaction costs that are directly attributable to its issue. Financial liabilities are classified as measured at amortised cost or FVPL. A financial liability is classified at FVPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See section below regarding derivatives designated as hedging instruments.

The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. The group also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

5.12.6 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount presented in the balance sheet when, and only when, the group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

5.12.7 Derivative financial instruments and hedge accounting

The group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially recognised at fair value, and attributable transaction costs are recognised in profit or loss as incurred.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and the following criteria are met: i) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host, ii) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and iii) the hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss.

Derivatives not being part of hedge accounting are measured at fair value and all changes in value are recognised in profit and loss. The group may designate certain derivatives as hedging instruments to hedge the fair value of recognised assets or liabilities (fair value hedges), the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates (cash flow hedges), and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation (net investment hedges). At inception of designated hedging relationships, the group documents the risk management objective and strategy for undertaking the hedge. The group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve within equity. The amount recognised in other comprehensive income is removed and included in profit or loss in the same period as the hedged cash flows affect profit or loss under the same line item in the income statement as the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in other comprehensive income and presented in the hedging reserve in equity remains there until the forecast transaction affects profit or loss. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is recognised immediately in profit or loss. In other cases, the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss.

Fair value hedges

Changes in the fair value of derivatives designated as fair value hedges are recognised in profit or loss. The hedged object is valued at fair value with respect to the risk that is hedged. Gains or losses attributable to the hedged risk are recognised in profit or loss and the hedged object's carried amount is adjusted.

Net investment hedges

Foreign currency differences arising from the translation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income to the extent that the hedge is effective and are presented within equity in the translation reserve. To the extent that the hedge is ineffective, such differences are recognised in profit or loss. When the hedged part of a net investment is disposed of, the relevant amount in the translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

5.13 SHARE CAPITAL, TREASURY SHARES AND EQUITY RESERVES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. When share capital is repurchased, the amount of the consideration paid including directly attributable costs and net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued, the amount received is recognised as an increase in equity, and the surplus or deficit resulting from the transaction is transferred to/from retained earnings.

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the group's net investment in a foreign operation.

The fair value reserve comprises the cumulative net change in the fair value of financial assets at FVOCI.

The hedging reserve applies to cash flow hedges entered into in order to hedge against changes in income and expenses that may arise from exchange rate fluctuations. The profit or loss effect of such transactions is included in the profit and loss account upon recognition of the hedged cash flow. The hedging reserve represents the value of such hedging instruments that is not yet recognised in the income statement.

5.14 PROVISIONS

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event, it is probable that payments or other outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are determined as the present value of expected future cash flows, discounted by a market based pre-tax discount rate.

Warranty provisions are made for expected future expenses related to delivered products and services. The provisions are based on historic data and a weighting of all possible outcomes against their associated probabilities.

A provision for restructuring is recognised when an approved, detailed and formal restructuring plan exists, and the restructuring either has begun or has been announced to the affected parties.

Provisions for contract losses are recognised when the expected revenues from a contract are lower than the cost of meeting the contractual obligations. Before provisions are made, all impairment losses on assets associated with the contract are recognised.

5.15 EARNINGS PER SHARE

The calculation of ordinary earnings per share is based on the profit attributable to ordinary shares using the weighted average number of shares outstanding during the reporting period, after deduction of the average number of treasury shares held over the period. The calculation of diluted earnings per share is consistent with the calculation of ordinary earnings per share, and gives effect to all ordinary shares with dilutive potential that were outstanding during the period.

5.16 SEGMENT REPORTING

Aker defines operating segments based on the group's internal management and reporting structure. The group's chief operating decision maker, responsible for the allocation of resources and assessment of the performance in the different operating segments, is defined as the board of directors, the group president and CEO and the CFO. Aker's investment portfolio comprises two segments: Industrial holdings and Financial investments. The recognition and measurement applied in segment reporting is consistent with the accounting principles applied when preparing the financial statements. Transactions between segments are conducted on market terms and conditions. Comparative segment information is usually re-presented for changes in reporting segments. See Note 9 Operating segments and significant subsidiaries.

Note 6 | Financial risk and exposure

FINANCIAL RISK

The Aker Group consists of various operations and companies that are exposed to different types of financial risks, including credit-, liquidity- and market risk (e.g. oil price-, currency- and interest risk). The purpose of risk management is to measure and manage financial risk in a reliable manner, thereby increasing predictability and reducing negative effects on Aker's financial results. The Group uses different financial instruments to manage its financial exposure actively.

CAPITAL MANAGEMENT

The overall objectives of Aker's capital management policy are to maintain a strong capital base to retain investor, creditor and market confidence, to ensure financial flexibility for the seizure of opportunities as they arise, and to maintain a capital structure that minimises the company's cost of capital. For its surplus liquidity, Aker pursues a conservative placement strategy with minimal risk. The placements need to be flexible in terms of liquidity.

The target rate of return for the Industrial holdings is 12 per cent. The target return for the Financial investments portfolio depends on the composition of the portfolio, including the size of cash deposits and the risk profile of the receivables. In addition, Aker has defined financial target indicators (FTIs) that regulate the relationship between cash and interest-bearing debt, as well as the capital structure. The ratios work as guidelines for investment activities and capital allocation.

The governing principle of Aker's dividend policy is that the company at all times should have a solid balance sheet and liquidity reserves sufficient to deal with future liabilities. The policy of the company is to pay annual dividends corresponding to 2-4 per cent of net asset value (value-adjusted). The market prices of listed companies are used in calculating net asset value, most recent transaction value is used if an unlisted investment has been subject to a material transaction with an unrelated party, while book values are used for other assets.

CREDIT RISK

The Group's financial assets are bank deposits, trade and other receivables, derivatives, and investments in shares. The Group's exposure to credit risk is mainly related to external receivables. For large projects and long-term lease contracts, assessment of credit risk related to customers and subcontractors are performed in the tender phase and throughout the contract period. Large and long-term projects are closely monitored in accordance with agreed milestones.

Trade receivables presented in the balance sheet are net of provisions for bad debts, which are estimated based on prior experience as well as specific assessments for some of the receivables.

Transactions involving derivative financial instruments are with counterparties with sound credit ratings and with whom the Group has signed a netting agreement.

The company within the group with the largest exposure to credit risk, is Ocean Yield. Ocean Yield faces credit risk through counterparties that may not be able to meet its obligations under a long-term charter contract. In order to mitigate this, the company charters out the vessels to internationally well-recognised companies within the shipping and offshore industry. However, as shipping and oil service markets are volatile, there is no complete protection against potential counterparty default.

The exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. Information about the exposure to credit risk at the balance sheet date is found in the tables that follow.

Amounts in NOK million	Note	2020 Carrying amount - exposure to credit risk: Fair value through profit and loss	Fair value through other comprehensive income (FVOCI)	Receivables at amortised cost	Derivatives qualified for hedge accounting at FVOCI	Total
Financial interest-bearing non-current assets	*18,19*	-	-	12 747	-	**12 747**
Other non-current assets including long-term derivatives	*20*	-	-	160	66	**226**
Trade receivables, other interest-free short-term receivables	*22*	-	-	1 151	-	**1 151**
Current derivatives	*31*	2	-	-	-	**2**
Interest-bearing short-term receivables	*18,19*	-	-	1 714	-	**1 714**
Cash and cash equivalents	*9*	-	-	4 808	-	**4 808**
Total		2	-	20 580	66	**20 648**

Interest-bearing receivables were impaired with NOK 116 million in 2020.

Amounts in NOK million	Note	2019 Carrying amount - exposure to credit risk: Fair value through profit and loss	Fair value through other comprehensive income (FVOCI)	Receivables at amortised cost	Derivatives qualified for hedge accounting at FVOCI	Total
Financial interest-bearing non-current assets	*18,19*	-	-	14 653	-	**14 653**
Other non-current assets including long-term derivatives	*20*	62	613	38	-	**713**
Trade receivables, other interest-free short-term receivables	*22*	7	-	5 382	-	**5 389**
Current derivatives	*31*	15	-	-	214	**229**
Interest-bearing short-term receivables	*18,19*	9	-	2 673	-	**2 683**
Cash and cash equivalents	*9*	-	-	12 018	-	**12 018**
Total		93	613	34 764	214	**35 685**

Interest-bearing receivables were impaired with NOK 25 million in 2019. In addition, a shareholder loan of NOK 60 million from Akastor to the joint venture DOF Deepwater AS (now DDW Offshore AS) is recognised against the share of losses from the joint venture.

Aging trade receivables and contract assets

Amounts in NOK million	Gross trade receivables and contract assets 2020	Gross trade receivables and contract assets 2019
Not past due	628	10 697
Past due 0-30 days	74	488
Past due 31-120 days	32	176
Past due 121-365 days	5	200
Past due more than one year	81	835
Total	820	12 396

Movements in allocation to loss on trade receivables and contract assets

Amounts in NOK million	
Balance at 1 January 2020	(291)
Impairment loss (write-off) included in operating profit	(5)
Amounts derecognised due to discontinued operations	134
Other changes	73
Allocation to loss on trade receivable and contract assets at 31 December 2020	**(89)**

LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to fulfil its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure that it always has sufficient liquidity to pay its liabilities as they fall due.

Overview of contractual maturities of financial liabilities, including estimated interest payments specified by category of liabilities:

		Contractual cash flows including estimated interest payments					
Amounts in NOK million	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Secured loans	20 604	(22 466)	(1 908)	(2 456)	(2 073)	(13 273)	(2 756)
Unsecured bank loans	1 045	(1 102)	(11)	(6)	(17)	(1 068)	-
Unsecured bond issues	6 379	(6 990)	(117)	(544)	(1 195)	(5 134)	-
Convertible loan	863	(1 012)	(24)	(27)	(949)	(12)	-
Other liabilities	774	(827)	(102)	(20)	(38)	(669)	-
Credit facilities	246	(246)	(177)	(69)	-	-	-
Total contractual cash flows for interest-bearing liabilities	29 910	(32 643)	(2 339)	(3 122)	(4 272)	(20 156)	(2 756)
Finance lease liabilities	726	(804)	(93)	(88)	(150)	(338)	(136)
Short-term derivative financial liabilities	122	(114)	(88)	(26)			
Long term derivative financial liabilities	133	(130)	-		(91)	(39)	
Total contractual cash flows for interest-bearing liabilities and derivatives	30 891	(33 691)	(2 520)	(3 236)	(4 513)	(20 533)	(2 892)
Trade and other payables	2 457						
Long-term interest-free liabilities	1 241						
Total liabilities	34 589						

Overview of contractual maturities per segment:

		Contractual cash flows including estimated interest payments					
Amounts in NOK million	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Industrial holdings	17 298	(18 930)	(2 143)	(2 947)	(2 833)	(8 243)	(2 765)
Financial investments	3 184	(3 571)	(228)	(145)	(392)	(2 688)	(120)
Aker ASA and holding companies	10 409	(11 190)	(149)	(144)	(1 288)	(9 602)	(7)
Total contractual cash flows for interest-bearing liabilities and derivatives	30 891	(33 691)	(2 520)	(3 236)	(4 513)	(20 533)	(2 892)

Long-term interest-free liabilities include NOK 96 million in deferred tax liabilities and NOK 5 million in deferred revenue and prepaid charter hire.

The Group's liquidity requirements are expected to be met through the balances of liquid assets and cash flow from operating activities. As at 31 December 2020, the group had cash and cash equivalents of NOK 4 808 million. In addition, the group has interest-bearing assets of NOK 14 461 million (see Note 18 and Note 19), and other investments of NOK 405 million (see Note 20).

OIL PRICE RISK

The equity accounted investment in Aker BP represents a substantial part of the group's assets. Since Aker BP's revenues are derived from the sale of petroleum products, the value of the investment and the group's share of profit or loss are therefore exposed to oil and gas price fluctuations. With the current unstable macro environment, Aker BP is continuously evaluating and assessing opportunities for hedging as part of a prudent financial risk management process. At year-end 2020, the company had entered into commodity hedges for the first half of 2021 consisting of put options with average strike price of 40 USD/bbl for a volume corresponding to approximately 40 per cent of the after-tax value of estimated oil production in the period.

Although Aker's subsidiary Aker Energy does not currently have any production of hydrocarbons, the company is exposed to the oil markets in several aspects. Market conditions will influence banks and investors' appetite to lend to, or invest in, Aker Energy. Furthermore, Aker Energy is exposed to the cost levels in the supplier industry that is a function of the capacity and activity levels in the sector.

CURRENCY RISK

Aker's operation in the international market results in various types of currency exposure for the group. Currency risks arise through ordinary, future business transactions, capitalised assets and liabilities, and when such transactions involve payment in a currency other than the functional currency of the respective company. In addition, currency risk arises from investments in foreign subsidiaries. The group's main exposures are against USD, GBP, and EUR. The group is also exposed to several other currencies.

In Aker's consolidated accounts, the following exchange rates have been applied in translating the accounts of foreign subsidiaries and associated companies:

Country	Currency	Average rate 2020	Rate at 31 Dec. 2020	Average rate 2019	Rate at 31 Dec. 2019
USA	USD	9.40	8.53	8.80	8.78
Great Britain	GBP	12.05	11.65	11.23	11.59
The European Union	EUR	10.72	10.47	9.85	9.86
Brazil	BRL	1.84	1.64	2.23	2.18

The average rate and rate as at 31 December have been applied when translating the income statement and balance sheet items, respectively. If the average exchange rate for the period does not provide a fair estimate of the transaction rate, the actual transaction rate is used.

In 2020, the COVID-19 crisis and the lack of agreement between OPEC and Russia to reduce oil production caused significant fluctuations in exchange rates, including a sharp weakening of the Norwegian krone against the US dollar and the euro. The table below illustrates the Group's sensitivity to foreign currency rate fluctuations. If the Norwegian krone had been 10% weaker against USD in 2020, the effects on the consolidated financial statements would have been as shown below. The sensitivity analysis does not take into account other effects of a stronger currency, such as competitiveness, change in the value of derivatives etc.

Amounts in NOK million	Operating revenue	Profit before tax	Equity
USD	5 668	(1 035)	9 446
Other currencies	149	57	216
NOK	993	(1 145)	14 052
Total	6 810	(2 122)	23 714
Change if NOK 10% weaker against USD	552	(109)	893
When NOK 10% weaker against USD	7 362	(2 232)	24 608

Aker ASA and the operational companies in the group have prepared guidelines on the management of currency risks, including hedging of expected future cash flows and value of assets and liabilities in foreign currencies. The group uses currency forward contracts and currency option contracts to reduce currency exposure. The net value of the group's currency contracts was NOK -103 million as at 31 December 2020.

INTEREST RATE RISK

The group's interest rate risk arises from long-term borrowings and receivables. Borrowings and receivables issued at variable rates expose the group to cash flow interest rate risk. Securities issued at fixed rates expose the group to fair value interest rate risk. The figures for 2020 includes lease liabilities of NOK 726 million (NOK 6 583 million for 2019).

As at 31 December 2020, the interest rate profile of the group's interest-bearing financial instruments was as follows:

Amounts in NOK million	**2020**	2019
Fixed rate instruments:		
Financial assets	**1 101**	2 460
Financial liabilities	**(1 764)**	(4 270)
Net fixed rate instruments	**(663)**	(1 810)
Variable rate instruments:		
Financial assets	**18 168**	26 895
Financial liabilities	**(28 872)**	(42 500)
Net variable rate instruments	**(10 704)**	(15 605)
Net interest-bearing debt (-) / assets (+) including finance lease receivables and lease liabilities	**(11 367)**	(17 415)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not recognise any fixed rate financial assets and liabilities at fair value through profit or loss and at year-end, the group has no interest rate swaps designated as hedges for debt. Other interest rate derivatives are not designated as hedges, and hence a change in the interest rate would affect profit or loss with respect to these instruments. In 2020, the Aker Group has a loss of NOK -4 million related to interest rate derivatives.

Note 7 | Acquisition of subsidiaries and transactions with minority interests

TRANSACTIONS WITH MINORITY INTERESTS

In 2020, acquisition and sale of minority interests and subsidiaries' purchase and sale of own shares lead to a decrease in minority interests of NOK 413 million and an increase in majority interests of NOK 4 million, recognised directly in equity and attributed to the equity holders in the parent company. The corresponding figures for 2019 were a NOK 41 million increase in minority interests and a NOK 9 million increase in majority interests. See also Note 24.

ACQUISITION OF SUBSIDIARIES IN 2020

There has been no material acquisitions of subsidiaries in the group during 2020.

ACQUISITION OF SUBSIDIARIES IN 2019

Aker BioMarine

On 1 March 2019, Aker BioMarine, through a US holding company, acquired 100% of the issued shares in Lang Pharma Nutrition, Inc. (Lang), a full service, mass market dietary supplement manufacturer, for a consideration of USD 89.3 million. The contribution consisted of a cash consideration paid on closing in addition to a contingent consideration with an estimated fair value as further described below.

Details of the purchase consideration and the net assets acquired is summarised in the table below. The goodwill is attributable to Lang's position and profitability in the dietary supplement market and the assembled and skilled workforce in the organisation. Lang will continue to operate as a separate company. The results from Lang have been included in Aker BioMarine's consolidated income statement and balance sheet as of 1 March 2019.

The contingent consideration arrangement requires Aker BioMarine to pay the seller an earn-out calculated each fiscal year using a measurement of company EBITDA as its basis. The earn-out period is from 2019 through 2022. The fair value of the contingent consideration arrangement was estimated calculating the present value of the future expected cash flows, based on a discount rate of 11 per cent.

Amounts in NOK million	
Intangible assets - customer list	393
Accounts receivables and other assets	100
Inventories	271
Cash and cash equivalents	32
Total assets	**795**
Borrowings	170
Accounts payables and other payables	83
Total liabilities	**252**
Total identifiable net assets at fair value	543
Goodwill arising on acquisition	218
Contingent consideration	(310)
Total consideration paid on acquisition	**451**
Less cash and cash equivalents acquired	(32)
Acquisition, net of cash acquired	**419**

Note 8 | Sale of subsidiaries and discontinued operations

SALE OF SUBSIDIARIES

In November 2020, Aker divested its investments within residential real estate development at Fornebu outside Oslo. The sale resulted in a gain for the group of NOK 358 million. The disposal did not represent a separate major line of business and is not presented as discontinued operations.

There were no material divestments of subsidiaries or other types of material discontinued operations in 2019.

DISCONTINUED OPERATIONS IN 2020

In December 2020, the Norwegian State ("the State") and Aker dissolved the joint ownership of Aker Solutions and Akastor, which has been organized through the company Aker Kvaerner Holding AS ("AKH"). This was done by the State taking over its 30 per cent share of AKH's net assets, including shares in Aker Solutions and Akastor, and Aker remained the 100 per cent owner of an AKH with lower than before ownership interests in the two respective companies. Aker's voting power at Aker Solutions' and Akastor's general meetings is 33.3 per cent and 36.7 per cent, respectively. Based on this, Aker has reassessed its ownership in Aker Solutions and Akastor in relation to the control criteria in IFRS 10. The conclusion of the assessment is that after the State's withdrawal from AKH, Aker no longer has control in Aker Solutions and Akastor. From the time of the State's exit from AKH (31 December 2020 has been applied due to practical reasons) , Aker has therefore deconsolidated its investments in the two companies and accounts for its continued investments as associated companies.

Based on the above, Aker has classified its investments in Aker Solutions and Akastor as discontinued operations. The comparative statement of profit and loss has been restated to show the discontinued operations separately from continued operations.

Aker has recognized a gain of a total of NOK 4.8 billion at the time of the reclassification to associated companies, and at the same time recognized remaining ownership interests as investments in associated companies with amounts equal to the fair values of the shares at that time. The gain is included in «Profit from discontinued operations (net after tax)».

In addition to the discontinued operations described above, Ocean Yield's FPSO Dhirubhai-1 is also classified as an asset held for sale and discontinued operations from 1 January 2020. FPSO Dhirubhai-1 is marketed for sale and Ocean Yield's FPSO segment, which includes Dhirubhai-1 only, has been presented as a discontinued operations. FPSO Dhirbuhai-1 is in the balance sheet classified on the line «Assets classified as held for sale» while associated liabilities are shown on the line «Liabilities classified as held for sale». Comparative figures in statement of profit and loss have been restated to show the result from discontinued operations separately from continued operations.

RESULTS FROM DISCONTINUED OPERATIONS 2020

Amounts in NOK million	Aker Soutions	Akastor	Other and eliminations	Deconsolidation and transition to assoicate	Assets held for sale in Ocean Yield	Other and eliminations	Total
Operating revenues	29 396	4 577	(907)	33 066	3	-	**33 069**
Operating expenses	(30 172)	(4 524)	42	(34 654)	(989)	-	**(35 643)**
Financial items	(538)	(436)	-	(974)	-	-	**(974)**
Profit before tax	**(1 314)**	**(383)**	**(865)**	**(2 562)**	**(986)**	**-**	**(3 548)**
Tax expense	(206)	(86)	-	(292)	(1)	-	**(293)**
Profit for the period	**(1 520)**	**(469)**	**(865)**	**(2 854)**	**(987)**	**-**	**(3 841)**
Operations within Akastor	**-**	**(115)**	**-**	**(115)**	**-**	**-**	**(115)**
Gain after tax from discontinued operations	**-**	**-**	4 805	4 805	**-**	**-**	**4 805**
Net profit from discontinued operations	**(1 520)**	**(584)**	**3 940**	**1 836**	**(987)**	-	**849**

RESULTS FROM DISCONTINUED OPERATIONS 2019

Amounts in NOK million	Aker Soutions	Akastor	Other and eliminations	Deconsolidation and transition to assoicate	Assets held for sale in Ocean Yield	Other and eliminations	Total
Operating revenues	38 163	5 361	(393)	43 131	147	(138)	**43 140**
Operating expenses	(37 175)	(5 140)	406	(41 909)	(1 037)	138	**(42 808)**
Financial items	(547)	(31)	3	(575)	(2)	-	**(577)**
Profit before tax	**441**	**191**	**16**	**647**	**(892)**	**-**	**(245)**
Tax expense	(157)	(44)	2	(199)	-	-	**(199)**
Profit for the period	**283**	**147**	**18**	**448**	**(892)**	**-**	**(444)**
Operations within Akastor	**-**	**(54)**	**-**	**(54)**	**-**	**-**	**(54)**
Net profit from discontinued operations	**283**	**93**	**18**	**394**	**(892)**	-	**(498)**

Earnings per share from discontinued operations was NOK 40.56 for 2020 and minus NOK 5.50 for 2019.

CASH FLOW FROM DISCONTINUED OPERATIONS

Amounts in NOK million	Aker Soutions	Akastor	Other and eliminations	Deconsolidation and transition to assoicate	Assets held for sale in Ocean Yield	Other and eliminations	Total
Cash flow from discontinued operations 2020							
Net cash flow from operating activities	501	211	-	712	(224)	-	488
Net cash flow from investing activities	(371)	(219)	-	(590)	(2)	-	(592)
Net cash flow discontinued operations	**130**	**(8)**	**-**	**122**	**(226)**	**-**	(104)
Cash flow from discontinued operations 2019							
Net cash flow from operating activities	360	406	-	766	(13)	-	753
Net cash flow from investing activities	(1 308)	(555)	-	(1 863)	(2)	-	(1 865)
Net cash flow discontinued operations	**(948)**	**(149)**	**-**	**(1 097)**	**(15)**	-	(1 112)

BALANCE DISCONTINUED OPERATIONS 2020

Amounts in NOK million	Deconsolidation and transition to assoicate	Assets held for sale in Ocean Yield	Total
Property, plant and equipment	4 584	439	**5 023**
Intangible assets	8 360	-	**8 360**
Right-of-use assets	3 376	-	**3 376**
Interest-bearing assets	1 115	-	**1 115**
Cash and cash equivalent	3 446	3	**3 449**
Interest-bearing liabilities	(4 462)	-	**(4 462)**
Lease liabilities	(5 606)	-	**(5 606)**
Net tax liabilities(-)/assets	555	-	**555**
Other assets and liabilities	1 128	(1)	**1 127**
Net assets and liabilities classified as held for sale	-	(441)	**(441)**
Equity	12 496	-	**12 496**
Minority interest	(13 296)	-	**(13 296)**
Equity attributable to equity holders of the parent	**(800)**	**-**	**(800)**

Note 9 | Operating segments and significant subsidiaries

Operating segments are identified based on the Group's internal management- and reporting structure. The Group's chief operating decision makers, who are responsible for the allocation of resources and assessment of performance in the different operating segments, are defined as the board of directors, the CEO and the CFO.

Aker's investment portfolio comprises two segments: Industrial holdings and Financial investments. The primary focus for businesses within Industrial holdings is long-term value creation. Businesses within Financial investments are managed as a portfolio with focus on financial and strategic opportunities.

Recognition and measurement applied to segment reporting is consistent with the accounting principles applied when preparing the financial statements. Transactions between segments are conducted on market terms and conditions. Operational revenues and segment assets are based on the geographical location of companies.

AN OVERVIEW OF OPERATING SEGMENTS AND SIGNIFICANT SUBSIDIARIES

Industrial holdings	
Aker BP	Exploration and production (E&P) company on the Norwegian continental shelf. Ownership interest 40.0%. The company is defined as an associated company in the Aker Group, and is accounted for using the equity method. The company's business address is at Fornebu, Norway.
Aker Solutions	Leading global supplier of products, systems and services for the oil and gas industry. Ownership interest 33.3%. The company is defined as an associated company in the Aker Group, and is accounted for using the equity method. The company's business address is at Fornebu, Norway.
Akastor	Akastor is an oil-services investment company with a portfolio of industrial holdings and other investments. Ownership interest 36.7%. The company is defined as an associated company in the Aker Group, and is accounted for using the equity method. The company's business address is at Fornebu, Norway.
Ocean Yield	Owns, operates and charters vessels. Ownership interest 61.7%. The company's business address is at Fornebu, Norway.
Aker BioMarine	Biotechnology company. Harvesting of krill and production and sale of krill products. Ownership interest 77.8%. The company's business address is at Fornebu, Norway.
Aker Horizons	Investment company with focus on renewable energy and green technologies. Ownership interest 100%. Aker Horizons includes the listed subsidiaries Aker Carbon Capture AS and Aker Offshore Wind AS. The company's business address is at Fornebu, Norway.
Cognite	Software and digitalisation company. Ownership interest 62.0%. The company's business address is at Fornebu, Norway.
Aker Energy	E&P company. Has a 50% ownership interest in the Deepwater Tano Cape Three Points block that is under development in Ghana. The group's ownership in the company is 50.8%. The company's business address is at Fornebu, Norway.

Financial investments	
Philly Shipyard	Design and construction of vessels. Ownership interest 57.6%. The company's business address is in Oslo, Norway.
Solstad Offshore	Owns and operates platform supply-vessels, anchor handling vessels and construction service-vessels. Ownership interest 25.0%. The company is defined as an associated company in the Aker Group, and is accounted for using the equity method. The company's business address is at Skudeneshavn, Norway.
American Shipping Company	Leases out vessels within the US Jones Act market. Ownership interest 19.1%. Defined as a share investment in the Aker Group. The company's business address is at Fornebu, Norway.
REC Silicon	Producer of advanced silicon materials. Ownership interest of 24.7%. The company is defined as an associated company in the Aker Group, and is accounted for using the equity method. The company's business address is at Fornebu, Norway.
Aize	Software company. Ownership interest 80.7%. The company's business address is at Fornebu, Norway.
Abelee	Algorithm-based trading in financial instruments. Ownership interest 88.5%. The company's business address is in Oslo, Norway.
Aker Property Group[1)]	Real estate development company. Ownership interest 100%. The company's business address is at Fornebu, Norway.
Norron	Nordic investment manager. Ownership interest 54.3%. The company's business address is in Stockholm, Sweden.

Other and eliminations

Aker ASA and holding companies	Cash, other financial investments and other assets. Companies included are listed in Note 1 in the annual accounts of Aker ASA and holding companies.
Other	Other companies and eliminations.

Group's ownership in per cent listed above and Group's share of votes in per cent are equal if nothing else is indicated. For further information regarding significant subsidiaries in the listed companies Ocean Yield ASA, Aker BioMarine AS and Philly Shipyard ASA please refer to the companies' own annual reports.

1) In accordance with UK Companies Act 2006, FP Eiendom AS' indirectly owned subsidiaries Abstract (Aberdeen 2) Limited (reg. no. 8271923), Abstract (Aberdeen 3) Limited (reg. no. 9137931), Abstract (Aberdeen 4) Limited (reg. no. 9137913), Abstract (Aberdeen 5) Limited (reg. no. 9137895), Abstract (Aberdeen 6) Limited (reg. no. 9137897), Abstract (Aberdeen 7) Limited (reg. no. 9137894), Abstract (Aberdeen 8) Limited (reg. no. 9138091), Abstract (Aberdeen 9) Limited (reg. no. 9137993), Abstract (Aberdeen 10) Limited (reg. no. 9251169), Aberdeen Residual Land Holdings Limited (reg. no. 9138539), and Aberdeen International Business Park Limited (reg. no. 8361458) are exempt from audit of accounts under section 479A.

GEOGRAPHICAL SEGMENTS BASED ON COMPANY LOCATION

	Operating revenue		Selected assets [1]	
Amounts in NOK million	**2020**	2019 Restated	**2020**	2019
Norway	**2 435**	2 251	**26 504**	38 362
EU	**2 282**	1 878	**4 712**	10 722
North America	**1 799**	1 181	**1 198**	2 010
South America	**-**	-	**2**	1 508
Asia	**10**	-	**-**	920
Other areas	**283**	307	**2 191**	2 580
Total	**6 810**	5 617	**34 607**	56 102

1) Selected assets consist of property, plant and equipment, intangible assets, right-of-use assets as well as investments in equity accounted investments.

2020 - OPERATING SEGMENTS

Amounts in NOK million	Aker Solutions	Akastor	Aker BP	Aker Horizons	Ocean Yield	Aker Bio Marine	Aker Energy	Cognite	Elimin-ations and other	**Total industrial holdings**	**Financial investments and eliminations**	**Total**
External operating revenues	-	-	-	18	2 433	2 735	6	460	(2)	**5 649**	**1 160**	**6 810**
Inter-segment revenues	-	-	-	-	-	-	44	72	(72)	**45**	**(45)**	**-**
Operating revenues	-	-	-	18	2 433	2 735	51	532	(74)	**5 694**	**1 116**	**6 810**
EBITDA	-	-	-	(160)	2 268	525	(256)	(157)	15	**2 234**	**(282)**	**1 952**
Depreciation and amortisation	-	-	-	(5)	(430)	(446)	(52)	(11)	(6)	**(950)**	**(145)**	**(1 095)**
Impairments	-	-	-	-	(1 250)	(13)	(69)	-	(8)	**(1 339)**	**(135)**	**(1 474)**
Operating profit	-	-	-	(166)	588	66	(376)	(168)	1	**(55)**	**(562)**	**(617)**
Share of profit of equity accounted companies	-	-	(464)	(6)	-	-	-	-	-	**(470)**	**680**	**210**
Interest income	-	-	-	1	19	8	2	15	-	**46**	**69**	**115**
Interest expense	-	-	-	(4)	(748)	(176)	(92)	(7)	(2)	**(1 029)**	**(426)**	**(1 455)**
Other financial items	-	-	-	(6)	(167)	109	(10)	(36)	(1)	**(112)**	**(264)**	**(376)**
Profit before tax	-	-	(464)	(180)	(307)	6	(477)	(197)	(2)	**(1 620)**	**(503)**	**(2 122)**
Tax expense	-	-	-	-	(31)	(58)	-	-	-	**(89)**	**300**	**211**
Profit for the year from continuing operations	-	-	(464)	(180)	(338)	(51)	(477)	(197)	(2)	**(1 708)**	**(203)**	**(1 911)**
Result from discontinued operations (net of tax)	(1 520)	(584)	-	-	(988)	-	-	-	(822)	**(3 914)**	**4 763**	**849**
Profit for the year	(1 520)	(584)	(464)	(180)	(1 326)	(51)	(477)	(197)	(823)	**(5 622)**	**4 560**	**(1 062)**
Profit for the year to equity holders of the parent	(105)	(215)	(464)	(131)	(906)	(61)	(240)	(123)	(848)	**(3 093)**	**4 520**	**1 427**
Property, plant, and equipment and right-of-use assets	-	-	-	41	4 696	2 387	132	5	30	**7 290**	**2 390**	**9 680**
Intangibles assets	-	-	-	4	-	1 541	1 410	112	-	**3 067**	**228**	**3 295**
Investment in equity accounted companies	2 699	712	15 342	364	1 519	-	-	-	-	**20 636**	**997**	**21 633**
Interest-bearing fixed assets	-	-	-	25	11 825	-	-	-	-	**11 850**	**2 611**	**14 461**
Cash and cash equivalent [1]	-	-	-	943	962	91	91	22	-	**2 110**	**2 698**	**4 808**
Interest-bearing liabilities	-	-	-	(1 217)	(13 750)	(2 072)	(1 005)	(238)	(31)	**(18 312)**	**(12 324)**	**(30 636)**
Net tax liabilities(-)/assets(+)	-	-	-	-	(47)	(44)	-	-	-	**(91)**	**242**	**151**
Other assets and liabilities	-	-	-	(97)	237	1 282	(560)	84	-	**946**	**(623)**	**323**
Equity	2 699	712	15 342	63	5 441	3 184	69	(14)	(1)	**27 496**	**(3 782)**	**23 714**
Minority interest	-	-	-	(513)	-	-	-	-	-	**(513)**	**(5 777)**	**(6 290)**
Total equity attributable to equity holders of the parent	2 699	712	15 342	(450)	5 441	3 184	69	(14)	(1)	**26 983**	**(9 559)**	**17 424**
Investments [2]	828	507	-	64	40	251	14	127	-	**1 831**	**600**	**2 431**
Aker ASA and holding companies key figures:												
Dividends received	55	-	1 594	-	347	-	-	-	-	**1 996**	**345**	**2 341**
Gross asset value (GAV) [3]	2 699	712	31 143	7 591	2 869	8 006	957	2 816	-	**56 793**	**7 153**	**63 945**

1) There exist restrictions on the cash transfers from subsidiaries to Aker ASA and holding companies. Restricted cash at the end of 2020 was NOK 62 million.
2) Investment include acquisitions of property, plant and equipment, right-of-use assets and intangibles (including increases due to business combinations).
3) Listed companies at market value and other companies at book value. For Aker Horizons, book values are used adjusted for fair value of listed investments in the Aker Horizons portfolio. For Cognite, the value used reflects the transaction value from the transaction with Accel in Q4 2020.

2019 - OPERATING SEGMENTS

Amounts in NOK million	Aker Solutions	Akastor	Aker BP	Ocean Yield	Aker Bio Marine	Aker Energy	Cognite	Elimin-ations and other	**Total industrial holdings**	**Financial investments and eliminations**	**Total**
External operating revenues	-	-	-	2 116	2 175	9	268	-	**4 568**	**1 049**	**5 617**
Inter-segment revenues	-	-	-	-	-	63	72	(10)	**126**	**(126)**	**-**
Operating revenues	-	-	-	2 116	2 175	72	340	(10)	**4 693**	**923**	**5 617**
EBITDA	-	-	-	1 922	402	(1 101)	(15)	-	**1 208**	**(428)**	**780**
Depreciation and amortisation	-	-	-	(438)	(324)	(20)	(1)	-	**(782)**	**(117)**	**(900)**
Impairments	-	-	-	-	(54)	-	-	-	**(54)**	**(11)**	**(65)**
Operating profit	-	-	-	1 485	24	(1 121)	(16)	-	**372**	**(557)**	**(185)**
Share of profit of equity accounted companies	-	-	429	-	-	-	-	-	**429**	**(35)**	**395**
Interest income	-	-	-	20	10	9	-	-	**39**	**120**	**159**
Interest expense	-	-	-	(904)	(201)	(43)	-	-	**(1 148)**	**(474)**	**(1 622)**
Other financial items	-	-	-	(29)	(39)	8	(1)	-	**(60)**	**(143)**	**(203)**
Profit before tax	-	-	429	572	(205)	(1 147)	(17)	-	**(368)**	**(1 089)**	**(1 457)**
Tax expense	-	-	-	(30)	(4)	-	-	-	**(34)**	**(15)**	**(49)**
Profit for the year from continuing operations	-	-	429	541	(209)	(1 147)	(17)	-	**(402)**	**(1 104)**	**(1 506)**
Result from discontinued operations (net of tax)	283	93	-	(892)	-	-	-	(49)	**(565)**	**67**	**(498)**
Profit for the year	283	93	429	(351)	(209)	(1 147)	(17)	(49)	**(967)**	**(1 037)**	**(2 004)**
Profit for the year to equity holders of the parent	46	37	429	(247)	(206)	(565)	(11)	(49)	**(565)**	**(968)**	**(1 533)**
Property, plant, and equipment and right-of-use assets	7 932	1 297	-	9 252	2 800	219	3	(1)	**21 502**	**1 612**	**23 114**
Intangibles assets	6 450	1 593	-	-	1 653	1 468	34	(1)	**11 199**	**956**	**12 154**
Investment in equity accounted companies	167	1 051	17 773	1 565	-	-	-	1	**20 557**	**277**	**20 833**
Interest-bearing fixed assets	914	226	-	15 159	-	-	-	(75)	**16 224**	**1 112**	**17 336**
Cash and cash equivalent [1]	4 483	555	-	1 628	120	692	-	-	**7 479**	**4 540**	**12 018**
Interest-bearing liabilities	(9 033)	(2 125)	-	(19 195)	(3 688)	(1 040)	(18)	96	**(35 003)**	**(11 766)**	**(46 769)**
Net tax liabilities(-)/assets(+)	317	376	-	(34)	(12)	-	-	37	**684**	**(68)**	**616**
Other assets and liabilities	(512)	1 397	-	(678)	484	(822)	19	(205)	**(316)**	**267**	**(49)**
Equity	10 718	4 371	17 773	7 697	1 357	517	39	(147)	**42 325**	**(3 072)**	**39 253**
Minority interest	(97)	(18)	-	(116)	-	-	-	48	**(182)**	**(20 232)**	**(20 414)**
Total equity attributable to equity holders of the parent	10 622	4 354	17 773	7 581	1 357	517	39	(99)	**42 143**	**(23 303)**	**18 840**
Investments [2]	1 512	617	-	4	1 904	560	36	-	**4 635**	**488**	**5 122**
Aker ASA and holding companies key figures:											
Dividends received	67	-	2 653	658	-	-	-	-	**3 378**	**104**	**3 482**
Gross asset value (GAV) [3]	3 196	1 000	41 486	5 187	2 363	925	42	-	**54 200**	**7 734**	**61 934**

1) There exist restrictions on the cash transfers from subsidiaries to Aker ASA and holding companies. Restricted cash at the end of 2019 was NOK 61 million.
2) Investment include acquisitions of property, plant and equipment and intangibles (including increases due to business combinations).
3) Listed companies at market value and other companies at book value.

Note 10 | Operating revenue

Amounts in NOK million	2020	2019 Restated
Revenue from contracts with customers recognised over time	**293**	167
Revenue from contracts with customers recognised at a point in time	**3 621**	3 225
Leasing income	**2 035**	1 842
Other income	**861**	383
Total	**6 810**	5 617

Revenue from contracts with customers consist of construction contracts, service revenue and sale of standard products recognised over time or at a point in time in accordance with IFRS 15. Different types of customer contracts are described below. Warranty provisions related to on-going projects and onerous customer contracts provision are described in Note 29.

REVENUE FROM CUSTOMER CONTRACTS RECOGNISED OVER TIME

Revenue from contracts with customers in Philly Shipyard totaled NOK 274 million in 2020. The company had one shipbuilding contract where revenue is recognised over time in line with construction progress. The building of the vessels Hulls 033 and Hulls 034 are being treated as a combined contract, with the related performance obligation satisfied over time. At year-end the NSMV (National Security Multi-Mission Vessel) is 4.6 per cent complete.

The transaction price allocated to remaining performance obligations (unsatisfied or partly unsatisfied) as at 31 December 2020 for Philly Shipyard totals NOK 5 136 million, and is allocated with NOK 1 831 million in 2021, NOK 2 866 million in 2022 and NOK 439 million in 2023.

Overview of contract assets and contract liabilities from contracts with customers as at 31. December:

Amounts in NOK million	2020	2019
Contract assets	7	7 136
Contract liabilities	1 130	1 447

Contract assets relate to consideration for work completed, but not yet invoiced at the reporting date. The contract assets are transferred to receivables when the rights to payment become unconditional, which usually occurs when invoices are issued to the customers. Movements in allocation to loss on trade receivables and contract assets are described in Note 6. Contract liabilities relate to advances from customer for work not yet performed at the reporting date. At year-end 2020, contract liabilities in Philly Shipyard amounted to NOK 1 118 million and represents the difference between cash advances received from the customer and costs incurred for the NSMV shipbuilding project.

The change in contract assets and liabilities mainly relate to the deconsolidation of the companies Aker Solutions and Akastor, offset by cash advances in Philly Shipyard. In addition, change in contract assets and liabilities relate to the natural progression of the project portfolio, as well as the current project mix.

REVENUE FROM CONTRACTS WITH CUSTOMERS AT POINT IN TIME

Revenue from contracts with customers in **Aker BioMarine** totaled NOK 2 734 million in 2020 and include sale of krill products used either in the feed industry or within human health and nutrition. Lang, the distributor of private labels within the Brands segment operates within the human health and nutrition markets but also sells other natural supplements in addition to Krill oil. Some customers have longer term frame agreements, agreeing the prices of the product, but all sales are based on individual purchase orders detailing the volume to be delivered at a certain point in time, at a designated location.

The company recognises as revenue the agreed transaction price in a contract with a customer at the time when the company transfers the control of a distinct product or service to the customer. Ordinary purchase orders are normally the contracts with the customer which create enforceable rights and obligations. Volume discounts are the dominant sales incentives used by Aker BioMarine. These discounts may have prospective or retrospective effect. Volume discounts with retrospective effect are systematically accrued and recognised as reduction of revenue based on the best estimate of the amounts potentially due to the customer.

The company's revenue from sale of krill products is recognised at a point in time, when the customer obtains control over the goods. Control is transferred to the customer according to agreed delivery terms, which is based on standardized contract templates as published by the International Chamber of Commerce. The main performance obligations for the company are related to the sale of goods of specified amounts and quality to customers. For a significant part of the sales, the company organises and pays for shipping of the goods. The company has assessed that for these sales, there are two performance obligations, and that the company acts as an agent for the shipping services.

The goods are sold with standard warranties that the goods sold comply with agreed upon specification and condition. The company does not have any significant obligations for returns or refunds, and any warranties would be accounted for using IAS 37. Payment terms are usually between 30-60 days. Aker BioMarine does not have any contracts with a significant financing component.

Revenue from contracts with customers in **Cognite** totaled NOK 460 million in 2020 and include revenue from sale recognised according to contract with customers at an agreed delivery date. Agreed monthly amount from contracts with customer regarding software revenue is recognised monthly over the life of the contract. Service revenue is recognised according to delivered hours based on time sheets and are recognised at a specific time, usually upon delivery to the customer.

Revenue from contracts with customers in **Philly Shipyard** totaled NOK 186 million in 2020 and include revenue from ship repair.

LEASING INCOME

Leasing income of NOK 2 035 million in 2020 consists of NOK 1 117 million in financial lease income and NOK 918 million in operational lease income from bareboat hire in Ocean Yield.

OTHER INCOME

Other income of NOK 861 million in 2020 consist among others of revenue in Aker Property Group from hotel operations and success fees of NOK 229 million, commission income in Norron of NOK 142 million and NOK 203 million in share of earnings in associates.

IMPORTANT CUSTOMERS

Aker has no customer that has been invoiced for more than 10 per cent of the group's revenues in 2020.

Note 11 | Wages, personnel expenses and other operating expenses

Amounts in NOK million	2020	2019 Restated
Wages	**1 372**	1 072
Social security contributions	**161**	120
Pension costs	**66**	50
Other expenses	**112**	116
Personnel expenses included in other items[1)]	**(181)**	(138)
Total wages and other personnel expenses	**1 530**	1 220

1) Mainly related to capitalised construction expenses in Philly Shipyard.

Geographical split of number of employees:	2020	2019
Norway	**1 128**	10 495
EU	**19**	1 777
North America	**361**	961
South America	**9**	5 473
Asia	**26**	2 751
Other regions	**62**	408
Total number of employees at year-end	**1 605**	21 865
Average number of employees	**19 867**	20 922

OTHER OPERATING EXPENSES CONSIST OF THE FOLLOWING:

Amounts in NOK million	2020	2019 Restated
Leasing expenses	**33**	40
Exploration expenses oil and gas	**-**	217
Office equipment, sales- and administration expenses	**447**	261
External consultants and hired-ins, exclusive audit expenses (see below)	**521**	514
Travel expenses	**122**	169
Insurance	**49**	34
Bunkers and other operating expenses related to the fleet	**415**	303
Loss on customer receivables, including reversal of impairments	**5**	3
Miscellaneous operating expenses	**719**	963
Total	**2 311**	2 503

FEES TO AUDITORS OF THE AKER GROUP ARE INCLUDED IN MISCELLANIOUS OPERATING EXPENSES, AND DISTRIBUTED AS FOLLOWS:

Amounts in NOK million	Ordinary auditing	Consulting services	Total 2020	2019 Restated
Aker ASA	2	1	**3**	3
Subsidiaries	16	7	**23**	15
Total	18	8	**26**	18

Ordinary audit fees totalled NOK 18 million in 2020 (NOK 15 million in 2019).
Consulting services of NOK 8 million consist of NOK 4 million in tax advisory services and NOK 4 million in other non-audit services.

Note 12 | Impairments

Amounts in NOK million	Depreciation and amortisation 2020	Depreciation and amortisation 2019 Restated	Impairment losses and other non-recurring items 2020	Impairment losses and other non-recurring items 2019 Restated
Property, plant and equipment (Note 15)	**(821)**	(742)	**(694)**	(65)
Intangible assets (Note 16)	**(121)**	(89)	**(49)**	-
Right-of-use assets (Note 19)	**(153)**	(69)	**(60)**	-
Loss from disposal of fixed and intangible assets (Note 15 and 16)	**-**	-	**(672)**	-
Total	**(1 095)**	(900)	**(1 474)**	(65)

See Note 15 Property, plant and equipment, Note 16 Intangible assets and Note 19 Leases for more information regarding depreciation, amortisation, impairment losses and impairment assessments.

Note 13 | Financial income and financial expenses

Amounts in NOK million	2020	2019 Restated
Interest income on cash and cash equivalents and investments at amortised cost	**115**	159
Dividends on financial assets	**101**	86
Foreign exchange gain from hedge instruments	**152**	-
Other financial income	**192**	14
Total financial income	**560**	259
Interest expense on financial liabilities measured at amortised cost	**(1 455)**	(1 622)
Net foreign exchange loss	**(438)**	(45)
Foreign exchange loss from hedge instruments	**-**	(120)
Net loss from interest rate swaps	**(4)**	(24)
Net change in fair value of financial equity investments at fair value through profit and loss	**(106)**	(25)
Net other financial expenses	**(272)**	(89)
Total financial expenses	**(2 276)**	(1 925)
Net financial items	**(1 716)**	(1 666)

Note 14 | Tax

TAX EXPENSE(-)/TAX INCOME(+)

Amounts in NOK million	2020	2019 Restated
Recognised in income statement:		
This year's net tax receivable (+) and payable (-)	**134**	(12)
Total current tax expense	**134**	(12)
Deferred tax expense:		
Origination and reversal of temporary differences	**(96)**	(76)
Utilisation of previously unrecognised tax losses	**172**	39
Total deferred tax expense	**77**	(37)
Income tax - continued operations	**211**	(49)

RECONCILIATION OF EFFECTIVE TAX RATE

Amounts in NOK million	2020	2019 Restated
Profit before tax	**(2 122)**	(1 457)
Nominal tax rate in Norway (22%)	**467**	320
Tax rate differences in Norway and abroad	**215**	138
Permanent differences	**(125)**	(39)
Utilisation of previously unrecognised tax losses	**172**	39
Tax losses for which no deferred income tax asset was recognised	**(565)**	(440)
Tax effect of associated companies	**90**	131
Other differences	**(43)**	(199)
Total income tax expenses in income statement	**211**	(49)

TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME:

Amounts in NOK million	2020	2019
Remeasurement of defined benefit liabilities	**18**	39
Changes in fair value of cash flow hedges	**7**	(21)
Currency translation differences	**-**	(2)
Total tax expenses other comprehensive income	**25**	16

DEFERRED TAX ASSETS ARE ALLOCATED AS FOLLOWS:

Amounts in NOK million	2020	2019
Aker Solutions	**-**	871
Akastor	**-**	388
Philly Shipyard	**72**	-
Other companies	**18**	2
Total	**90**	1 261

Deferred tax assets refer to NOK 90 million in temporary differences. The deferred tax asset related to the tax losses carried forward was reduced by NOK 1 381 million in 2020.

The total unrecognised tax loss carry-forward at year-end 2020 are NOK 10.1 billion. This mainly relates to Aker ASA with NOK 4.4 billion, Aker Capital AS with NOK 1.1 billion, Aker BioMarine with NOK 2.3 billion and Ocean Yield with NOK 1.9 billion.

CHANGES IN NET DEFERRED TAX ARE AS FOLLOWS:

Amounts in NOK million	Property, plant and equipment	Intangible assets	Projects under construction	Tax losses carry forward	Other	Total
At 31 December 2019	(196)	(115)	(1 513)	1 381	1 043	**600**
Acquisitions and sales of subsidiaries	-	-	-	-	8	**8**
Deferred tax income statement - continued operations	(6)	(93)	47	82	48	**77**
Deferred tax income statement - discontinued operations	(54)	3	(589)	304	210	**(127)**
Deferred tax total comprehensive income - OCI	-	-	-	-	25	**25**
Deferred tax income recognised directly in equity	-	-	-	-	(16)	**(16)**
Exchange rate differences and other changes	70	8	(6)	169	(256)	**(14)**
Deconsolidation and transition to equity accounted companies	83	197	2 083	(1 936)	(986)	**(560)**
At 31 December 2020	**(103)**	**(1)**	**23**	**-**	**75**	**(7)**
Allocated between deferred tax assets and liabilities as follows:						
Deferred tax assets	21	-	6	-	64	**90**
Deferred tax liabilities	(124)	(1)	17	-	12	**(96)**

Amounts in NOK million	Property, plant and equipment	Intangible assets	Projects under construction	Tax losses carry forward	Other	Total
At 31 December 2018	(198)	(237)	(2 401)	1 602	1 779	**545**
Impact of changes in accounting policies	-	-	-	-	90	**90**
At 1 January 2019	(198)	(237)	(2 401)	1 602	1 869	**635**
Acquisitions and sales of subsidiaries	-	(2)	-	12	10	**20**
Deferred tax income statement - continued operations	-	76	(32)	(112)	31	**(37)**
Deferred tax income statement - discontinued operations	14	48	963	(65)	(919)	**41**
Deferred tax total comprehensive income - OCI	-	-	-	-	16	**16**
Prepaid withholding tax	-	-	-	-	60	**60**
Deferred tax income recognised directly in equity	-	-	(27)	-	(23)	**(50)**
Exchange rate differences and other changes	(13)	-	(16)	(56)	(1)	**(85)**
At 31 December 2019	**(196)**	**(115)**	**(1 513)**	**1 381**	**1 043**	**600**
Allocated between deferred tax assets and liabilities as follows:						
Deferred tax assets	(114)	(105)	(412)	1 381	511	**1 261**
Deferred tax liabilities	(82)	(10)	(1 101)	-	532	**(661)**

TAX PAYABLE AND INCOME TAX RECEIVABLE

Tax payable amounts to NOK 15 million. Current tax receivable amounts to NOK 128 million and non-current tax receivable amounts to NOK 44 million. Tax receivables relate to Philly Shipyard.

The 2020 figures are based on preliminary estimates of non-taxable income, non tax-deductible items and temporary differences between the financial accounts and the tax accounts. The final result will be calculated based on the tax returns and may differ from the estimates above.

Note 15 | Property, plant and equipment

Amounts in NOK million	Vessels and airplanes	Machinery and vehicles	Land and buildings	Assets under construction	Total
Cost at 1 January 2020	21 054	10 742	4 427	1 303	**37 526**
Acquisitions through business combinations	397	27	42	-	**466**
Other acquisitions	79	130	89	688	**986**
Other disposals and scrapping	(5 058)	(171)	(72)	(288)	**(5 589)**
Transferred from assets under construction and other reclassifications	(293)	703	995	(1 009)	**396**
Reclassified held for sale	(8 062)	-	-	-	**(8 062)**
Effects of changes in foreign exchange rates	605	(214)	(351)	(10)	**31**
Deconsolidation and transition to associates	(363)	(8 929)	(3 531)	(246)	**(13 068)**
Cost at 31 December 2020	8 359	2 289	1 600	439	**12 687**
Accumulated depreciation and impairment at 1 January 2020	(9 780)	(7 495)	(1 855)	(111)	**(19 240)**
Depreciation charge for the year	(598)	(750)	(151)	-	**(1 499)**
Impairments	(1 537)	(157)	(30)	(24)	**(1 747)**
Other disposals and scrapping	2 502	155	19	72	**2 747**
Transferred from assets under construction and other reclassifications	235	(27)	(29)	-	**179**
Reclassified held for sale	7 579	-	-	-	**7 579**
Effects of changes in foreign exchange rates	(485)	108	107	(4)	**(274)**
Deconsolidation and transition to associates	7	7 043	1 424	11	**8 485**
Accumulated depreciation and impairment at 31 December 2020	(2 077)	(1 123)	(514)	(56)	**(3 769)**
Carrying amount at 31 December 2020	**6 282**	**1 167**	**1 086**	**383**	**8 918**

Amounts in NOK million	Vessels and airplanes	Machinery and vehicles	Land and buildings	Assets under construction	Total
Cost at 31 December 2018	19 375	9 945	4 547	1 484	**35 351**
Implementation IFRS 16	-	(97)	(206)	-	**(303)**
Cost at 1 January 2019	19 375	9 849	4 341	1 484	**35 048**
Other acquisitions	-	7	3	-	**10**
Sales of operations	546	231	109	1 786	**2 672**
Other disposals and scrapping	(16)	(76)	(37)	-	**(129)**
Transferred from assets under construction and other reclassifications	961	699	19	(1 977)	**(298)**
Effects of changes in foreign exchange rates	188	32	(7)	11	**224**
Cost at 31 December 2019	21 054	10 742	4 427	1 303	**37 526**
Accumulated depreciation and impairment at 31 December 2018	(8 312)	(6 900)	(1 828)	(51)	**(17 091)**
Implementation IFRS 16	-	92	58	-	**150**
Accumulated depreciation and impairment at 1 January 2019	(8 312)	(6 808)	(1 770)	(51)	**(16 941)**
Depreciation charge for the year	(786)	(730)	(127)	-	**(1 644)**
Impairments	(590)	(39)	(13)	(60)	**(702)**
Transferred from assets under construction and other reclassifications	(28)	38	58	-	**68**
Other disposals and scrapping	16	68	7	-	**92**
Effects of changes in foreign exchange rates	(80)	(23)	(10)	-	**(113)**
Accumulated depreciation and impairment at 31 December 2019	(9 780)	(7 495)	(1 855)	(111)	**(19 240)**
Carrying amount at 31 December 2019	**11 274**	**3 248**	**2 573**	**1 192**	**18 287**

Carrying amount at the end of 2020 amounts to NOK 8 918 million, a decrease of NOK 9 369 million during the year. The decrease mainly relates to deconsolidation of Aker Solutions and Akastor, depreciation and impairment, and reclassification of assets held for sale and disposal of vessels in Ocean Yield. See further comments below.

This year's depreciation of NOK 1 499 million (NOK 1 644 million in 2019) relates to NOK 821 million (NOK 742 million) from continued operations and NOK 678 million (NOK 902 million) from discontinued operations. The impairment of the year is NOK 1 747 million (NOK 702 million in 2019) divided between NOK 694 million (NOK 65 million) from continued operations and NOK 1 054 million (NOK 637 million) from discontinued operations. See more information regarding impairments below.

Vessels and airplanes

Vessels and airplanes totalled NOK 6 282 million at the end of 2020, with a decrease of NOK 4 992 million during the year. The decrease is mainly attributed to the disposals in Ocean Yield of the vessel Connector and 75 per cent of the shares in the subsidiary OS Installer Limited, which owned the diving support and construction vessel SMN Installer. The disposal contributed to a decrease of NOK 2.4 billion and a net loss of NOK 0.7 billion. The decrease is also attributable to the classification of the FPSO Dhirubhai-1 as held for sale by NOK 0.5 billion. Depreciation amounted to NOK 0.6 billion while impairment charges totalled NOK 1.5 billion. See comments regarding impairments below.

The depreciation periods for the hulls are between 10 and 30 years, while the machinery and equipment on board are depreciated over 3 to 15 years.

Machinery and vehicles

Machinery and vehicles totalled NOK 1 167 million, a decrease of NOK 2 081 million from last year. The decrease is mainly due to the deconsolidation of Aker Solutions and Akastor by NOK 1.9 billion, in addition to depreciation and impairments of NOK 0.9 billion. The decrease is partly offset by acquisitions and transfer from assets under construction and reclassifications of NOK 0.7 billion.

Machinery and vehicles are depreciated over a period between 3 to 15 years.

Buildings and land

Buildings and land totalled NOK 1 086 million, a decrease of NOK 1 487 million during 2020. The decrease is mainly related to the deconsolidation of Aker Solutions and Akastor by NOK 2.1 billion, in addition to depreciation and impairments of NOK 0.5 billion. The reduction is partly offset by acquisitions and transfer from assets under construction and reclassifications of NOK 1.1 billion.

Land is not depreciated. Depreciation periods for buildings are 8 to 30 years.

Assets under construction

Assets under construction are decreased by NOK 809 million during 2020 to NOK 383 million. The change is mainly due to transfers and reclassifications and the deconsolidation of Aker Solutions and Akastor by a total of NOK 1.2 billion, in addition to the disposal of the vessel Juvel of NOK 0.2 billion. The reduction is partly offset by investments by NOK 0.7 billion.

Contractual commitments

Aker BioMarine has entered into contracts for investments in property, plant and equipment for NOK 0.4 billion. Ocean Yield has entered contractual obligations for the purchase of vessels, currently under construction, of NOK 0.8 billion in total during 2021 and 2022.

Effect of exchange rate changes on property, plant and equipment

Effects from exchange rate fluctuations represent NOK -243 million, mainly attributable to changes in the USD/NOK in Ocean Yield, Aker BioMarine and Philly Shipyard. Based on book values as at 31 December 2020, an increase of the USD rate of 10 per cent will increase assets by approximately NOK 0.8 billion.

Impairment losses 2020

Impairment losses on property, plant and equipment of NOK 1 747 million are mainly attributable to Ocean Yield with NOK 1 477 million, Aker Property Group with NOK 45 million, Aker BioMarine with NOK 13 million and Aker Solutions with NOK 163 million. In addition, an impairment of NOK 50 million regarding an airplane has been recognised.

For **Ocean Yield** total impairment relates to NOK 586 million from continued operations and NOK 891 million from discontinued operations. Impairment related to continued operations is divided between the vessel Connetor by NOK 325 million and the vessel Hôegh Xiamen by NOK 260 million. Due to the continued challenging oil-service market, an impairment regarding Connector was recognised in the third quarter 2020 and the fourth quarter, the vessel was sold as described above. Hôegh Xiamen was declared a total loss as a result of a fire on the vessel in June 2020. As a consequence, an impairment was recognised and an insurance settlement recognised as income.

Ocean Yield has also assessed the values of the vessels Far Senator, Far Statesman and the group's five car carriers. The value in use has been estimated for all seven vessels, and no impairment or reversal of impairment has been considered necessary. The book values of Far Senator and Far Statesman totalled USD 83.6 million and the book value of the group's car carriers totalled USD 231.2 million at year-end 2020.

The value in use has been calculated based on the present value of estimated future cash flows. The projected cash flows represent management's best estimate for future charter hire for these vessels. The value in use was calculated using a discount rate of 8.05 per cent after tax for Far Senator and Far Statesman (8.6 per cent in 2019) and 5.29 per cent after tax for the car carriers. The calculations of value in use are highly sensitive to the estimated level of future charter hires and the estimated useful life of the vessels.

The FPSO Dhirubhai-1 has been reclassified as an asset held for sale as from 1 January 2020 and has been presented as discontinued operations. The COVID-19 pandemic and a lower oil price has led to increased uncertainties with respect to the timeline and the sale price that can be achieved for the FPSO. Discussions with potential interested parties have recently shown some positive progress, but there is still uncertain if a sale can be concluded. As of year-end 2020 the fair value of the FPSO has been estimated to USD 51.5 million and an impairment of USD 94.8 million have been recognised in 2020. The fair value has been calculated based on several possible sale-price scenarios and their assumed probabilities on a weighted average basis. The scenarios are based on recent interest and discussions with interested parties for the FPSO. The calculation of the fair value is highly sensitive to the probability weighting of the different scenarios. If an acceptable solution is not found for the FPSO, there is a risk for further impairment of the book value of this unit.

In **Aker Solutions**, the impairment of NOK 163 million relates to discontinued operations and mainly to leasehold improvements and production assets. Each item of property, plant and equipment is assessed for impairment triggers every quarter to identify assets that are damaged, no longer in use or will be disposed. For assets in a cash generating unit (CGU), impairment indicators are assessed for all assets as part of a cash generating unit (CGU) every quarter. One CGU with recoverable amount of NOK 42 million was impaired. The other impairments in Aker Solutions are related to individual assets.

Impairment losses 2019

Impairment losses on property, plant and equipment of NOK 702 million in 2019 are mainly attributable to Ocean Yield with NOK 590 million, Aker BioMarine with NOK 54 million, Aker Solutions with NOK 46 million and Aker Property Group (FP Eiendom) with NOK 12 million. The impairment in Ocean Yield was related to the FPSO Dhirubhai-1, and the impairment in Aker BioMarine was related to the fishing vessel Juvel. The impairments in Aker Solutions were related to capitalised development costs.

Note 16 | Intangible assets

Amounts in NOK million	Oil- and gas licenses	Capitalised exploration expenses	Other intangible assets	Goodwill	Total
Cost at 1 January 2020	931	500	5 590	9 674	**16 695**
Acquisitions through business combinations	-	-	-	49	**49**
Other acquisitions	-	2	338	19	**359**
Other disposals and scrapping	-	-	(22)	-	**(22)**
Reclassifications	-	-	(1)	1	**-**
Effects of changes in foreign exchange rates	(26)	(14)	(53)	(43)	**(136)**
Deconsolidation and transition to associates	-	-	(4 471)	(7 245)	**(11 716)**
Cost at 31 December 2020	905	488	1 382	2 453	**5 228**
Accumulated amortisation and impairment at 1 January 2020	-	-	(2 835)	(1 706)	**(4 540)**
Amortisation for the year	-	-	(456)	-	**(456)**
Impairment losses	-	-	(256)	(144)	**(400)**
Other disposals and scrapping	-	-	15	-	**15**
Reclassifications	-	-	7	1	**8**
Effects of changes in foreign exchange rates	-	-	42	43	**85**
Deconsolidation and transition to associates	-	-	3 195	160	**3 356**
Accumulated amortisation and impairment at 31 December 2020	-	-	(288)	(1 646)	**(1 934)**
Carrying amount at 31 December 2020	**905**	**488**	**1 095**	**807**	**3 295**

Amounts in NOK million	Oil- and gas licenses	Capitalised exploration expenses	Other intangible assets	Goodwill	Total
Cost at 1 January 2019	937	416	4 635	9 199	**15 188**
Acquisitions through business combinations	-	-	563	384	**947**
Other acquisitions	-	325	418	-	**743**
Other disposals and scrapping	(9)	-	(204)	-	**(212)**
Expensed dry wells	-	(217)	-	-	**(217)**
Reclassifications	(8)	(29)	114	-	**77**
Effects of changes in foreign exchange rates	10	4	64	91	**169**
Cost at 31 December 2019	931	500	5 590	9 674	**16 695**
Accumulated amortisation and impairment at 1 January 2019	-	-	(2 520)	(1 692)	**(4 212)**
Amortisation for the year	-	-	(459)	-	**(459)**
Impairment losses (see Note 12)	-	-	(25)	-	**(25)**
Other disposals and scrapping	-	-	204	-	**204**
Reclassifications	-	-	(13)	-	**(13)**
Effects of changes in foreign exchange rates	-	-	(21)	(14)	**(35)**
Accumulated amortisation and impairment at 31 December 2019	-	-	(2 835)	(1 706)	**(4 540)**
Carrying amount at 31 December 2019	**931**	**500**	**2 757**	**7 967**	**12 154**

Carrying amount at the end of 2020 amounts to NOK 3 295 million, a decrease of NOK 8 859 million during the year. The decrease mainly relates to the deconsolidation of Aker Solutions and Akastor, in addition to amortisation and impairment charges.

This year's amortisation of NOK 456 million (NOK 459 million in 2019) relates to continued operations with NOK 121 million (NOK 89 million in 2019) and discontinuing operations with NOK 334 million (NOK 370 million in 2019). Impairment of intangible assets of NOK 400 million (NOK 25 million in 2019) relates to continued operations with NOK 49 million and discontinuing operations with NOK 352 million. In 2019 impairment charges was allocated to discontinuing operations. See more information regarding impairment losses and impairment assessments below.

Oil- and gas licenses

Oil- and gas licenses of NOK 905 million at the end of 2020 is attributable to Aker Energy and is reduced by NOK 26 million during the year. Oil- and gas licenses are assessed for impairment annually.

Capitalised oil- and gas exploration expenses

Capitalised oil- and gas exploration expenses of NOK 488 million at the end of 2020 is attributable to Aker Energy and is reduced by NOK 12 million during the year due to changes in foreign exchange rates.

Other intangible assets

The carrying amount of other intangible assets of NOK 1 095 million at the end of 2020 mainly consists of NOK 323 million in capitalised development expenses and customer relationships, trademark and fishing licenses in Aker BioMarine of NOK 732 million.

Capitalised development expenses consisted of NOK 99 million representing capitalised development expenses in Cognite and NOK 223 million in Aize. In 2019, capitalised development expenses amounted to NOK 1 632 million and the decrease during the year of NOK 1 309 million mainly relates to the deconsolidation of Aker Solutions and Akastor with NOK 1 127 million taken into account Aker Solution's sale of the software company ix3 to Aize, in addition to amortisations and impairments of NOK 541 million. The reduction is offset by acquisitions of NOK 323 million.

Other intangible assets are amortised over a period between 5 to 12 years and distributes as follows:

Amounts in NOK million	**2020**	2019
Aker Solutions	**-**	1 386
Akastor	**-**	309
Kvaerner	**-**	132
Aker BioMarine	**732**	841
Aize	**223**	-
Cognite	**112**	34
Aker Energy	**17**	37
Other	**11**	18
Total	**1 095**	2 757

Goodwill

Goodwill totalled NOK 807 million at the end of 2020. The change in 2020 of NOK 7 160 million is attributable to the deconsolidation of Aker Solutions and Akastor with NOK 7 085 million and impairments of NOK 144 million. At year end 2020 total goodwill is related to the krill business in Aker BioMarine that stems from Aker's acquisition of Natural and the establishment of Aker BioMarine in December 2006.

Impairment losses 2020

Impairment of intangible assets of NOK 400 million is mainly attributable Aker Property Group with NOK 49 million in 2020 and Aker Solutions with NOK 352 million. The impairment charges in Aker Property Group relates to continuing operations and is attributable to goodwill arising from business combinations.

In Aker Solutions an impairment of NOK 352 million has been recognised related to discontinuing operations and is mainly attributable to development programs where the technology or commercial outlook no longer justified the value. Capitalised development is assessed for impairment triggers every quarter to identify development programs where the technological development or commercial outlook for that specific technology no longer justify the book value. Capitalised development programs that have not been completed are subject to annual impairment testing. The impairment testing of capitalised development include update of the future expected cashflows, assessing status on technical achievements and reviewing cost incurred compared to budget in order to identify if any of the capitalised cost should be expensed. The assets are written down to recoverable amount, if lower than book value.

Impairment losses 2019

Impairment of intangible assets of NOK 25 million is mainly attributable to IT systems and a strategic digitalisation project in Kvaerner.

IMPAIRMENT ASSESSMENTS

Impairment assessments performed for the main part of the group's assets with indefinite useful life at year-end 2020 is summarised below.

Aker Energy

In Aker Energy, the company's exploration and evaluation assets relate to the Deepwater Tano Cape Three Points (DWT/CTP) license in Ghana and are tested for impairment on one level, the only cash-generating unit in the group, the DWT/CTP license. The exploration and evaluation assets have been assessed for impairment in accordance with IFRS 6. Impairment tests are performed when impairment triggers are identified. Results from the appraisal drilling campaign finalised in 2019 were positive and indicate a significant potential in the license. Approval of Plan for Development and Operations and Final Investment Decision for Pecan development were expected in 2020 but the Covid-19 crisis and the significant drop in oil prices changed this. Even though the Pecan project was put on hold by end of March and the Aker Energy organisation was significantly downsized, the proven reserves in DWT/CTP license are still expected to be developed. Aker Energy has maintained an organisation sufficient to continue the work in DWT/CTP and is currently exploring alternative development concepts for DWT/CTP. License partners and Ghanaian government have supported and accepted the decision to put the Pecan Development project on hold. Carrying amounts of exploration and evaluation assets are low compared to value of proven reserves in DWT/CTP and it is considered likely that carrying amounts will be recovered in full from successful development in DWT/CTP or by sale. No impairment triggers have been identified and no impairment testing is deemed necessary.

Aker BioMarine

In Aker BioMarine, mandatory annual tests for impairment are performed for CGUs with allocated goodwill or assets with indefinite useful life, and for assets/CGUs where impairment indicators have been identified. Impairment tests are performed on the groups two segments, Ingredient and Brands, both with allocated goodwill. The impairment test of the Ingredient segment also includes a fishing license and trademark assets with indefinite useful life. The recoverable amount of the cash-generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using estimated growth rates.

Cash flow assumptions

The discount rates used reflect the current market assessment of the risks specific to each CGU and are estimated based on the weighted average cost of capital. The discount rate is estimated based on a weighted average of equity return requirements and expected costs of debt, assuming a projected debt-to-equity ratio of 1. The basis for the discount rate is a risk free interest rate set at 10 years US government bonds, and the credit risk premium has been set equal to the credit spread (compared to government bonds) for US corporate bonds with credit rating B.

Projected cash flows are based on management's best estimates and the business plan for the Ingredients segment for the subsequent five years period. The estimates are based on detailed forecast prepared by the various departments in the Ingredients segment. For subsequent periods, the model is based on an estimated terminal growth, which is in line with long-term forecasts for growth in gross domestic product (GDP). In the forecast for the period 2021-2025, revenue projections are based on agreements entered into, actual historical prices along with management's evaluation of the potential for new agreements. The estimated operating margin is in accordance with management`s forecast which is based on the scalability in the business model. As approximately 65 per cent of the Group's operating expenses are fixed costs, increased sales levels will contribute to higher operating margins. Future product pricing has as per the above been based on historical prices and managements expectation with regards to new arrangements. The Group expects slightly lower krill oil sales prices as well as a moderate increase in the krill meal sales prices in the forecast period, compared to the sales price levels in 2020. Sales volumes has been modelled to follow the production targets, however lagging as to allow for building and maintaining safety-stock.

Capital expenditure is based on the long-term technical and operations program and firm commitments. It is also assumed that the vessels will be re-acquired upon end of the assumed useful life and that the business will continue with 3 operating vessels. The Group has a fourth fishing license from the vessel Juvel. The license is kept if any situation in the future would require an additional license (for example a new vessel).

Projected cash flows are based on management's best estimates and the business plan for the Brands segment for the subsequent five years period. The estimates are based on detailed forecast prepared by management in Lang and Epion. For subsequent periods, the model is based on an estimated terminal growth, that is not exceeding the growth for the products, industry or country (US) in which the CGU operate. In the forecast for the period 2021-2025, revenue projections are based on agreements entered into, actual historical prices along with management's evaluation of the potential for new agreements. The estimated operating margin is in accordance with management's forecast.

The table below summarises the cash flow assumptions used by Aker BioMarine:

	Discount rate, post tax		Discount rate, pre tax		Forecast period		Growth rate terminal value	
Segment	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
Ingredients	**10.0**	11.0	**12.8**	14.1	**5 years**	5 years	**2.0**	2.0
Brands	**10.5**	11.0	**14.3**	15.0	**5 years**	5 years	**2.0**	2.0

Sensitivity analysis

For the Ingredients segment in Aker BioMarine, the sensitivities of the value in use has been tested by using simulations of various combinations of discount rates, terminal value growth, changes in vessel production volumes, krill production and -sales in addition to fuel cost and EBITDA. The CGU's value in use is significantly higher than the carrying amount. No reasonable possible change in any of the key assumptions would cause the unit's recoverable amount to be lower than the carrying value.

For the Brand segment, the sensitivities of the value in use has been tested by using simulations of various combinations of discount rates, terminal value growth, sales and EBITDA. The CGU's value in use is significantly higher than the carrying amount. No reasonable possible change in any of the key assumptions would cause the unit's recoverable amount to be lower than the carrying value.

Note 17 | Investments in associates and joint ventures

The Aker Group has interests in several associates and joint ventures ("JV"), of which the most important ones are (ownership interests in parentheses):

Aker BP ASA (40%) is an integrated E&P company operating on the Norwegian continental shelf.

Aker Solutions ASA (33.3%) delivers integrated solutions, products and services to the global energy industry.

Akastor ASA (36.7%) is a is an oil-services investment company with a portfolio of industrial and financial holdings.

BOX Holding Inc. (49.9%) owns six container vessels chartered out on long-term bareboat contracts.

Solstad Offshore ASA (25.0%) owns and operates platform supply vessels, anchor handling vessels and construction service vessels.

Principle Power Inc (47.1%) a floating wind power technology company.

REC Silicon ASA (24.7%) is a producer of silicon materials to the solar and electronics industries.

Align AS (38.8%) is a supplier of technical safety solutions for the global oil and gas market.

Associates and joint ventures are accounted for using the equity method.

Amounts in NOK million		Book value at 1 January 2020	Effects of acquisitions or disposals of subsidiaries in stages	Acquisitions and disposals	Share of profits/ losses	Changes due to exchange differences and hedges	Dividends received	Other changes in equity	**Book value at 31 December 2020**
Aker BP ASA	1)	17 773	-	-	(464)	(321)	(1 594)	(52)	**15 342**
Aker Solutions ASA	1)	-	2 699	-	-	-	-	-	**2 699**
Akastor ASA	1)	-	712	-	-	-	-	-	**712**
BOX Holdings Inc.	1)	1 565	-	-	203	(174)	(160)	-	**1 434**
Solstad Offshore ASA	1)	-	-	42	605	138	-	11	**795**
AKOFS Offshore AS	2)	1 050	(1 063)	55	(117)	(38)	-	112	**-**
DDW Offshore AS	2)	-	-	-	(140)	-	-	140	**-**
Principle Power Inc	1)	130	-	264	(16)	(18)	-	5	**364**
REC Silicon ASA	1)	85	-	300	(103)	(14)	-	(8)	**260**
Align AS	1)	31	-	-	(31)	-	-	-	**-**
FP Bolig Holding AS	1)	96	-	(173)	244	-	(245)	81	**4**
Other entities		104	(64)	22	(19)	(1)	(5)	(14)	**24**
Total		**20 833**	**2 285**	**510**	**163**	**(429)**	**(2 004)**	**275**	**21 633**
1) Associates		19 724	3 354	456	453	(391)	(2 004)	22	**21 614**
2) Joint ventures		1 109	(1 069)	54	(290)	(38)	-	254	**20**
Total		**20 833**	**2 285**	**510**	**163**	**(429)**	**(2 004)**	**275**	**21 633**

Shares of profits/losses from associates and joint ventures are based on the companies' net profit including profit/loss from discontinued operations. The purpose of the investment determines where its results are presented in the income statement. When entities are formed to share risk in executing projects or are closely related to the operating activities, the shares of the profits and losses are reported as part of other income in the operating profit. Shares of profits or losses from financial investments are reported as part of financial items.

Share of profits/losses for 2020 is allocated with NOK 413 million as continued operations and NOK -250 million as discontinued operations. Share of profits/losses continued operations for 2020 is allocated with NOK 203 million as other income and NOK 210 million as share of profit/loss from associates and joint ventures as part of financial items.

SUMMARY OF FINANCIAL INFORMATION AND THE GROUP'S OWNERSHIP IN MAJOR ASSOCIATES AND JOINTS VENTURES:

	Aker BP ASA		BOX Holdings Inc.		Aker Solutions ASA	Akastor ASA
Amounts in NOK million	2020	2019	2020	2019	2020	2020
Country	Norway		Marshall Islands		Norway	Norway
Ownership and voting rights	40.0%	40.0%	49.9%	49.9%	33.3%	36.7%
Operating revenues	28 006	29 467	725	696	-	-
Operating expenses	(23 938)	(17 782)	(8)	(8)	-	-
Financial items	(2 530)	(2 139)	(305)	(284)	-	-
Net profit (100%)	420	1 242	410	404	-	-
Share of net profit result	168	497	203	202	-	-
Depreciation/Impairment	(632)	(67)	-	-	-	-
Share of earnings	**(464)**	**429**	**203**	**202**	**-**	**-**
Non-current assets	95 238	101 045	6 585	7 008	13 984	6 100
Current assets	10 738	6 310	318	311	12 843	3 047
Total assets	**105 976**	**107 355**	**6 904**	**7 319**	**26 827**	**9 147**
Non-current liabilities	(80 148)	(71 505)	(4 331)	(4 620)	(8 291)	(1 986)
Current liabilities	(8 871)	(15 061)	(409)	(355)	(10 628)	(3 492)
Minority interests	-	-	-	-	(38)	(11)
Net assets (100%)	16 957	20 788	2 164	2 344	7 870	3 658
Share of net assets	**6 783**	**8 315**	**1 080**	**1 170**	**2 624**	**1 220**
Elimination of unrealised gains and losses, deferred payment and adjustments	(222)	(143)	354	395	-	-
Excess value	8 781	9 601	-	-	75	(508)
Balance end of period	**15 342**	**17 773**	**1 434**	**1 565**	**2 699**	**712**
Dividends received	**1 594**	**2 653**	**160**	**186**	**-**	**-**

Aker BP ASA

The excess value of NOK 8.8 billion is allocated to the Johan Sverdrup field with NOK 6.4 billion and the NOAKA-field (North of Alvheim, Krafla/Askja) with NOK 2.4 billion. The depreciation of NOK 605 million in 2020 is attributable to the Johan Sverdrup field. Sensitivity analysis of excess value have been performed by using simulations of various combinations of discount rates, oil price and value growth. No reasonably possible combination of these factors results in a value in use being lower than the value recognised in the balance sheet as of 31 December 2020.

Aker Solutions ASA and Akastor ASA

The initial book values as associates for Aker Solutions and Akastor of NOK 2.7 billion and NOK 0.7 billion, respectively, are equal to the fair values of the shares at 31 December 2020.

Aker BP ASA, Aker Solutions ASA, Akastor ASA, Solstad Offshore ASA and REC Silicon ASA are listed companies. Shown below are the share prices and market values of the Group's share in the companies.

At 31 December 2020	Number of shares in millions	Quoted price in NOK	Book value in NOK million	Market value in NOK million
Aker BP ASA	144.0	288.00	15 342	41 486
Aker Solutions ASA	164.1	16.45	2 699	2 699
Akastor ASA	100.6	7.08	712	712
Solstad Offshore ASA	18.7	9.60	795	179
REC Silicon ASA	92.0	16.10	260	1 481

Note 18 | Interest-bearing assets

Amounts in NOK million	**2020**	2019
Restricted deposits	**267**	783
Loans to employees	**11**	66
Loans to related parties	**46**	381
Pre-delivery instalments - Finance lease receivables	**-**	136
Other interest-bearing receivables	**318**	416
Total	**641**	1 782
Recorded as follows:		
Interest-bearing non-current receivables	**552**	1 140
Interest-bearing current receivables	**89**	642
Total	**641**	1 782

Restricted deposits in 2020 mainly relates to a deposit related to loan agreements in Philly Shipyard of NOK 225 million. Loans to related parties in 2020 consists of loans to the associate KF Wind of NOK 25 million and to Aker Pensjonskasse of NOK 21 million.

Note 19 | Leases

LEASES IN WHICH THE GROUP IS A LESSEE

The Group has lease contracts related to warehouses, offices, and production facilities, as well as machines and vehicles. Contracts related to leasing of buildings and locations typically have lease periods of 10-15 years with options for renewal at market values. Lease contracts regarding IT services, vehicles and equipment have an average lease term of 3-5 years. The Group has applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months lease term, or leases of low value items (for example IT equipment).

	Right-of-use assets				
Amounts in NOK million	Land and buildings	Investment property	Machinery and vehicles	Total	**Lease liabilities**
Carrying amount at 31 December 2019	4 414	383	32	4 827	6 583
Adjustments prior year	102	-	-	102	-
Additions and business combinations	558	17	8	583	600
Reclassification financial sublease receivables	(27)	(116)	-	(143)	-
Depreciation	(626)	(40)	(16)	(682)	-
Impairment	(483)	(90)	-	(573)	-
Transfer between categories	(576)	576	-	-	-
Interest expense	-	-	-	-	290
Lease payments and interests	-	-	-	-	(1 195)
Effect of changes in foreign exchange rates	29	(4)	(1)	24	54
Deconsolidation and transition to associates	(2 724)	(636)	(17)	(3 376)	(5 606)
Carrying amount at 31 December 2020	**667**	**88**	**7**	**762**	**726**

Amounts in NOK million	Right-of-use assets: Land and buildings	Right-of-use assets: Investment property	Right-of-use assets: Machinery and vehicles	Right-of-use assets: Total	**Lease liabilities**
Carrying amount at 1 January 2019	5 201	-	43	5 243	6 771
Transfer between categories	(453)	453	-	-	-
Carrying amount at 1 January 2019 restated	4 748	453	43	5 243	6 771
Additions	745	-	5	750	750
Remeasurements	(65)	-	-	(65)	(65)
Terminations	(180)	-	-	(180)	(220)
Derecognition of ROU asset due to sublease	(28)	-	-	(28)	-
Reclassification of property, plant and equipment	7	-	-	7	-
Depreciation	(617)	(43)	(16)	(677)	-
Impairment	(239)	(26)	-	(266)	-
Interest expense	-	-	-	-	293
Lease payments and interests	-	-	-	-	(1 055)
Effect of changes in foreign exchange rates	43	-	-	43	108
Carrying amount at 31 December 2019	**4 414**	**383**	**31**	**4 827**	**6 583**

Depreciation and impairment of right-of-use assets

This year's depreciation of NOK 682 million (NOK 677 million in 2019) relates to NOK 153 million (NOK 69 million) from continued operations and NOK 530 million (NOK 608 million) from discontinued operations. The impairment of the year is NOK 573 million (NOK 266 million in 2019) and relates to NOK 60 million from continued operations and NOK 513 million from discontinued operations. In 2019, total impairment was related to discontinued operations.

Impairment of NOK 60 million from continued operations applies to vacated properties available for sublease classified as investment property in Aker Energy. Expected future income from subleases is discounted to net present value and compared to the value of the right-of-use asset. An impairment is recognised if the present value is lower than the value of the right-of-use asset. The impairment recognised in Aker Energy mainly applies to office rent at Fornebu, and some vacated properties in Accra, Ghana.

Impairment of NOK 513 million from discontinued operations applies to vacated properties in Aker Solutions. The impairment mainly relates to new separable areas that are, or will be, vacated in the near future, and update of market value of potential subleases. NOK 483 million is recognised as impairment of right-of-use assets classified as land and buildings and relates to vacated properties that are, or will be, vacated in the near future, but not made available for sublease.

Vacated lease property made available for sublease and property with operational subleases are classified as investment property. The investment property is measured using a cost model, and when testing the investment property for impairment, the expected future sublease income is discounted to present value and compared to the value of the investment property. In 2020, impairment of NOK 30 million is recognised in Aker Solutions.

Amounts recognised in the income statement and the cash flow statement

Amounts in NOK million	**2020**	2019 Restated
Expenses relating to short-term leases presented in other operating expenses	**(14)**	(17)
Expenses relating to low-value leases presented in other operating expenses	**(3)**	(1)
Expenses relating to variable lease payments presented in other operating expenses	**(16)**	(24)
Gain on termination of lease agreements presented in other operating expenses	**-**	2
Interest on lease liabilities presented in financial expenses	**(27)**	(14)
Total cash outflows for leases exclusive interest	**(905)**	(762)

LEASES IN WHICH THE GROUP IS A LESSOR

Amounts in NOK million	2020	2019
Finance lease	13 820	14 819
Finance sublease	-	734
Total	**13 820**	**15 553**
Recorded as follows:		
Non-current finance lease receivables	12 195	13 513
Current finance lease receivables	1 625	2 040
Total	**13 820**	**15 553**

Financial leases

Finance lease receivable of NOK 13.8 billion represents Ocean Yield's ownership in 43 vessels, and 7 vessels organized as joint venture with Aker Capital. This includes NOK 1.3 billion against AKOFS Offshore AS for the lease of Aker Wayfarer. See details for the financial lease receivables in the table below.

Amounts in NOK million	Aker Wayfarer	Container vessels	Tankers	Other shipping	Total
Number of vessels	1	4	29	16	**50**
Gross finance lease receivables					
Less than one year	252	103	962	364	**1 681**
Between one and five years	992	413	3 769	1 430	**6 604**
More than five years	433	465	5 501	2 185	**8 585**
Unguaranteed residual values	493	189	1 544	239	**2 465**
Gross finance lease receivables	**2 170**	**1 170**	**11 776**	**4 219**	**19 335**
Less: unearned finance income	(893)	(288)	(3 300)	(1 034)	**(5 515)**
Total finance lease receivables	**1 276**	**882**	**8 476**	**3 185**	**13 820**
Present value of minimum lease payments					
Less than one year	234	100	936	355	**1 625**
Between one and five years	659	352	3 183	1 234	**5 428**
More than five years	191	317	3 547	1 447	**5 502**
Unguaranteed residual values	193	115	809	149	**1 266**
Total finance lease receivables	**1 276**	**883**	**8 476**	**3 185**	**13 820**
Pre-delivery instalments	-	-	-	-	**-**
Total finance lease receivables and related assets	**1 276**	**883**	**8 476**	**3 185**	**13 820**

Financial sublease

The Group have had financial subleases related to right-of-use assets. In accordance with IFRS 16, when the Group is an intermediate lessor, the subleases are classified with reference to the right-of-use assets arising from the head lease. If the lease term in the sublease contract for right-of-use assets cover the main part of the lease term in the head lease, the sublease may be classified as a financial sublease. In these cases, the Group derecognises the right-of-use assets and recognises a receivable at the commencement of the sublease.

At year-end 2020, the group does not have any financial subleases in the balance due to the deconsolidation of Aker Solutions and Akastor. Movements in financial subleases is summarised in the table below.

Amounts in NOK million	2020	2019
Balance at 1 January	734	789
Additions and remeasurements	125	28
Interest income	20	30
Lease payments including interests	(111)	(138)
Effect of changes in foreign exchange rates	5	23
Transferred to discoutinued operations	(772)	-
Balance at 31 December	**-**	734

Balance at 31 December 2019 included NOK 197 million against the associated company Aker BP.

Operational leases (Ocean Yield)

Leases in which a significant portion of the risks and rewards of ownership are retained by Ocean Yield are classified as operating leases. Revenue from operational leases totalled NOK 918 million in 2020. Future minimum lease payments under non-cancellable operating lease agreements are summarised as follows:

Amounts in NOK million	**2020**	2019
Less than one year	**569**	748
Between one and five years	**2 213**	2 905
More than five years	**989**	1 854
Total operating lease	**3 771**	5 506

Note 20 | Other shares and non-current assets

Amounts in NOK million	**2020**	2019
Norron funds	**69**	-
American Shipping Company ASA	**326**	380
NES Global Talent Ltd.	**-**	644
Awilco Drilling Plc	**-**	48
Odfjell Drilling Ltd.	**-**	791
Shares in other companies	**10**	271
Total other shares and investments	**405**	2 135
Pension assets (Note 27)	**-**	2
Derivatives (Note 6 and Note 31)	**66**	-
Income tax receivable	**44**	-
Other interest-free non-current receivables	**160**	100
Total other non-current assets	**270**	102
Total other shares and other non-current assets	**675**	2 236

Note 21 | Inventories

Amounts in NOK million	**2020**	2019
Raw materials	**86**	226
Work in progress	**214**	614
Finished goods	**831**	997
Total	**1 131**	1 838
Impairment of inventory recognised as expense during the period (2019 is restated)	**(6)**	(18)

Carrying amount of inventory pledged as security for liabilities was NOK 498 million as at 31 December 2020.

Note 22 | Trade and other short-term interest-free receivables

Amounts in NOK million	**2020**	2019
Trade receivables	**724**	4 969
Contract assets	**7**	7 136
Other short-term interest-free receivables	**1 229**	3 447
Total	**1 959**	15 552

Other short-term receivables in 2020 includes prepaid expenses with NOK 667 million.
See also Note 6 Financial risk and exposure.

Note 23 | Earnings per share, dividend per share, and paid-in equity

EARNINGS PER SHARE

Amounts in NOK million	2020	2019
Continued operations:		
Net profit (loss) from continued operations	**(1 911)**	(1 506)
Minority interests	**(326)**	(382)
Profit from continued operations attributable to equity holders of the parent	**(1 585)**	(1 125)
Discontinued operations:		
Net profit (loss) from discontinued operations	**849**	(498)
Minority interests	**(2 163)**	(90)
Profit from discontinued operations attributable to equity holders of the parent	**3 012**	(408)
Total profit attributable to equity holders of the parent	**1 427**	(1 533)
Shares outstanding at 1 January	**74 278 199**	74 268 792
Changes in own shares held	**(5 438)**	9 407
Total shares outstanding at 31 December	**74 272 761**	74 278 199
Allocation:		
Issued shares at 31 December	**74 321 862**	74 321 862
Own shares held	**(49 101)**	(43 663)
Total shares outstanding at 31 December	**74 272 761**	74 278 199
Weighted average number of shares at 31 December	**74 269 501**	74 271 928

DILUTED EARNINGS PER SHARE

No instruments with a potential dilution effect were outstanding at 31 December 2020 or 31 December 2019.

DIVIDEND

Dividends paid in 2020 was NOK 23.50 per share, NOK 1 745 million in total. Dividends paid in 2019 was NOK 22.50 per share, NOK 1 671 million in total. At the Annual General Meeting on 28 April 2021, it will be proposed a dividend of NOK 11.75 per share, totalling NOK 873 million. In addition, it is proposed that the Annual General Meeting authorizes the Board of Directors to declare additional dividend in 2021 based on the 2020 annual accounts.

PAID-IN CAPITAL

See Note 8 to the Aker ASA separate financial statement for a specification of share capital as at 31 December 2020.

Note 24 | Minority interests

The Aker Group includes several subsidiaries owned less than 100 per cent. See Note 9 Operating segments and significant subsidiaries for key figures for some of these companies.

Amounts in NOK million	Aker Solutions	Akastor	Aker Offshore Wind	Aker Carbon Capture	Ocean Yield	Aker BioMarine	Philly Shipyard	Other companies	Sum
Per cent minority interests as at 31 December 2020	-	-	48.98	49.00	38.35	22.21	42.44	-	**-**
Balance at 31 December 2019	13 701	1 985	-	-	3 958	27	458	285	**20 414**
Correction previous year	18	-	-	-	-	-	-	-	**18**
Balance at 1 January 2020	13 719	1 985	-	-	3 958	27	458	285	**20 432**
Profit for the year	(1 393)	(367)	(30)	(19)	(420)	10	3	(274)	**(2 489)**
Other comprehensive income	(170)	(75)	(9)	-	(54)	(79)	(9)	20	**(376)**
Dividend	(37)	-	-	-	(306)	-	-	-	**(343)**
New minority, release of minority	(364)	(1)	84	2	(122)	(9)	-	(2)	**(413)**
Share issue by subsidiary	-	-	319	165	-	2 133	-	158	**2 777**
Loss of control in subsidiaries	(11 754)	(1 542)	-	-	-	-	-	-	**(13 296)**
Balance at 31 December 2020	-	-	364	149	3 056	2 082	451	189	**6 290**

Loss of control in subsidiaries

For description of loss of control in subsidiaries see note 8 Sale of subsidiaries and discontinued operations.

Share issue by subsidiary

Aker BioMarine received USD 225 million through a share issue in June 2020. This increased the minority interest by NOK 2 133 million after deducting the minority's share of transaction costs. Aker Offshore Wind carried out share issues in August and November 2020. These two transactions have after the deduction of the minority share of transactions costs, increased the minority interest by NOK 319 million. A share issue in August 2020 increased the minority interest in Aker Carbon Capture by NOK 165 million after deducting the minority's share of transaction costs.

Note 25 | Other comprehensive income

Amounts in NOK million	Translation reserve	Fair value reserves	Hedging reserves	Total translation and other reserves	Retained earnings	Total	Minority interests	**Total equity**
2020								
Defined benefit plan actuarial gains (losses)	-	-	-	-	(30)	(30)	(47)	**(77)**
Equity investments at FVOCI - net change in fair value	-	(69)	-	(69)	-	(69)	(26)	**(95)**
Items that will not be reclassified to income statement	-	(69)	-	(69)	(30)	(99)	(73)	**(172)**
Changes in fair value of cash flow hedges	-	-	1	1	-	1	1	**2**
Reclassified to profit or loss: debt investments at FVOCI, translation and cash flow hedges	(462)	-	1	(461)	-	(461)	(28)	**(488)**
Currency translation differences	(112)	-	-	(112)	-	(112)	(194)	**(306)**
Changes in other comprehensive income from associated and joint venture companies	(261)	-	(85)	(346)	-	(346)	(83)	**(429)**
Items that may be reclassified to income statement subsequently	(835)	-	(83)	(918)	-	(918)	(304)	**(1 221)**
Other comprehensive income 2020	(835)	(69)	(83)	(987)	(30)	(1 017)	(376)	**(1 393)**

Amounts in NOK million	Translation reserve	Fair value reserves	Hedging reserves	Total translation and other reserves	Retained earnings	Total	Minority interests	**Total equity**
2019								
Defined benefit plan actuarial gains (losses)	-	-	-	-	(55)	(55)	(94)	**(149)**
Equity investments at FVOCI - net change in fair value	-	9	-	9	-	9	22	**31**
Items that will not be reclassified to income statement	-	9	-	9	(55)	(46)	(72)	**(118)**
Changes in fair value of cash flow hedges	-	-	40	40	-	40	73	**113**
Reclassified to profit or loss: debt investments at FVOCI, translation and cash flow hedges	(37)	-	(15)	(52)	-	(52)	(93)	**(145)**
Currency translation differences	77	-	-	77	-	77	79	**156**
Changes in other comprehensive income from associated and joint venture companies	247	-	(84)	163	-	163	(51)	**111**
Items that may be reclassified to income statement subsequently	287	-	(59)	228	-	228	8	**235**
Other comprehensive income 2019	287	9	(59)	237	(55)	182	(64)	**117**

Note 26 | Interest-bearing liabilities

Amounts in NOK million	2020	2019
Secured bank loans	**20 604**	24 459
Unsecured bank loans	**1 045**	3 431
Unsecured bond issues	**6 379**	11 006
Convertible loan	**863**	863
Loan from associates and other related parties	**105**	12
Overdraft facilities	**246**	274
Other interest-bearing liabilities	**669**	142
Total interest-bearing liabilities	**29 910**	40 187
Recorded as follows:		
Current liabilities	**5 173**	6 762
Non-current liabilities	**24 738**	33 425
Total interest-bearing liabilities	**29 910**	40 187

CHANGES IN THE GROUP'S INTEREST-BEARING LIABILITIES IN 2020:

Amounts in NOK million	Non-current	Current	Total
Interest-bearing liabilities as at 31 December 2019	33 425	6 762	**40 187**
Bond in Aker Solutions	-	89	**89**
Drawn bank facility in Aker Solutions	1 414	-	**1 414**
Drawn bank facility in Ocean Yield	1 848	-	**1 848**
Drawn bank facility in Akastor	227	-	**227**
Drawn bank facility in Aker ASA and holding companies	1 000	-	**1 000**
Other new loans and loan fees	301	150	**451**
Change in credit facilities	-	(36)	**(36)**
Total payments of interest-bearing loans	**4 790**	**203**	**4 994**
Repayment of USD bank facilities in Aker ASA and holding companies	-	(993)	**(993)**
Repayment of bank facilities in Aker Solutions	(2 000)	(236)	**(2 236)**
Repayment of bonds in Aker ASA and holding companies	-	(1 351)	**(1 351)**
Repayment of bonds in Ocean Yield	(363)	(458)	**(821)**
Repayment of bank facilities in Ocean Yield	(2 367)	(1 966)	**(4 333)**
Repayment of bank facilities in Akastor	(316)	-	**(316)**
Repayment of bank facilities in Aker BioMarine	(815)	-	**(815)**
Repayment of bank facilities in Philly Shipard	-	(584)	**(584)**
Other repayments	(156)	-	**(156)**
Total repayments of interest-bearing loans	**(6 017)**	**(5 588)**	**(11 605)**
Deconsolidation of Aker Solutions and Akastor	(3 141)	(1 321)	**(4 462)**
Acquisition and sale of subsidiaries	561	505	**1 066**
Reclassification / first year instalments	(4 574)	4 574	**-**
Currency translation and other changes	(306)	37	**(269)**
Interest-bearing liabilities as at 31 December 2020	**24 738**	**5 173**	**29 910**

Currency adjustments total NOK 0.3 billion and are mainly attributable to the USD loans described above. Loans denominated in USD at the end of the year totalled USD 2.4 billion. A 10 per cent increase in the USD exchange rate compared to the rate of 8.53 on the balance sheet date would have caused an increase in debt expressed in NOK of NOK 2.0 billion.

CONTRACTUAL TERMS OF INTEREST-BEARING LIABILITIES AS AT 31 DECEMBER 2020:

Amounts in NOK million	Currency	Nominal interest rate	Maturity	Nominal value in currency	Carrying amount (NOK)
Ocean Yield					
Secured loans in USD	USD	Libor + 1.85% - 3.50%	2021 to 2031	1 388	11 845
Unsecured bond	NOK	Nibor +3.65% - 4.5%	2021 to 2024	1 899	1 899
Total Ocean Yield					13 745
Aker BioMarine					
Secured bank loans	USD	Libor + 2.50% - 3.95%	2022 to 2023	109	929
Secured bank loans	USD	3.13%	2031	96	819
Other mortgage loans	NOK		2023 to 2026	86	86
Other loans and overdraft facilities					120
Total Aker BioMarine					1 954
Aker ASA and holding companies					
Unsecured bond issue	NOK	Nibor + 1.90% - 5.00%	2022 to 2024	4 500	4 480
Schuldschein loan	EUR	1.674% / Euribor + 1.60%	March 2024	100	1 045
Term loan facilities	NOK	Nibor + 2.0%	May 2023	1 000	998
Term loan facilities	USD	Libor + margin	2023	450	3 829
Total Aker ASA and holding companies					10 351
Other companies					
Aker Property Group	NOK	Nibor + 1.65% - 5.00%	2021 to 2023	920	920
OY Holding	USD	Libor + 2.0%	2024 to 2025	216	1 846
Aker Energy	USD	5.5%		99	845
Other companies				-	249
Total other companies					3 860
Total interest-bearing liabilities					**29 910**

Ocean Yield

The mortgage loans are with different bank syndicates and are secured in 50 vessels with a book value of NOK 11.8 billion. The mortgage loans have an average debt maturity of 3.2 years with maturity from 2nd quarter 2021 to 3rd quarter 2031. Interests are mainly paid quarterly.

The senior unsecured bond issues have a floating interest, which is paid quarterly. The company has entered into cross currency interest rate swaps from NOK interest to USD interest.

The facilities include financial covenants as to equity ratio, interest coverage ratio and minimum liquidity. Ocean Yield was in compliance with all covenants at year-end 2020.

Aker BioMarine

Instalments and interest on the secured loans are paid semi-annually. The mortgages and overdraft facility, totalling NOK 1.9 billion, are secured in vessels and other assets. The loan and overdraft facilities include several financial covenants. Aker BioMarine was in compliance with all covenants at year-end 2020.

Aker ASA and holding companies

Senior unsecured bonds: The maturity dates and interest rates are shown in Note 13 to Aker ASA's separate financial statements. The principal falls due on the maturity date and interest is payable quarterly.

The Schuldschein loan consists of a EUR 30 million fixed interest tranche with a fixed interest of 1.67 per cent, and a EUR 70 million floating interest tranche with an interest of Euribor plus 1.60 per cent margin. The loan is unsecured.

The mortgage loans have quarterly interest payments. The loans are secured with 42.8 million shares in Aker BP ASA.

The bonds and loans have an average debt maturity of 2.7 years with maturity from September 2022 to November 2024. There are several covenants associated with Aker ASA and holding companies' loans, including debt ratio and total internal loans and guarantees in relation to Aker ASA and holding companies net asset value. Aker ASA was in compliance with all covenants at the end of 2020.

Aker Property Group

The liabilities mainly consist of secured loans of NOK 318 million and construction loan of NOK 585 million. Secured loans are secured in assets with a book value of NOK 313 million. Interest are payable quarterly until maturity.

OY Holding

The mortgage loans are with different bank syndicates and are secured in 7 vessels with a book value of NOK 2.0 billion. The mortgage loans mature in 2024 and 2025. Interests are mainly paid quarterly.

Aker Energy

Aker Energy entered into an agreement on 4 July 2019 to issue USD 100 million of subordinated convertible bonds to Africa Finance Corporation. The bonds have a coupon of 5.5 per cent per year and will be converted to equity in the event of an Initial Public Offering ("IPO") of Aker Energy. The bonds have a maturity of five years, with an option to extend with another three years. Aker Energy shall redeem the bonds in full if the Plan for Development and Operations of the oil field DWT/CTP has not been approved by all relevant governmental authorities within April 2022.

Collateral

Collateral for interest-bearing debt of NOK 20.7 billion has been issued related to secured loans, construction loans and overdraft facilities. The book value of the assets used as collateral is NOK 27.8 billion.

Note 27 | Pension expenses and pension liabilities

The Aker Group's Norwegian companies mainly cover their pension liabilities through group pension plans managed by life insurance companies. The Norwegian companies in the Group are subject to the Norwegian Act relating to mandatory occupational pensions, and the Group meets the requirements of this legislation.

In addition, some of the Norwegian companies are members of an agreement-based early retirement plan (AFP). The schemes provide a large proportion of the Norwegian employees the opportunity to retire before the normal retirement age in Norway of 67 years. Employees who choose retirement will retain a lifelong benefit from the age of 62 years.

The Group's companies outside Norway have pension plans based on local practice and regulations.

The Group also has uninsured pension liabilities for which provisions have been made.

The discount rates used in 2020 and 2019 are based on the Norwegian high-quality corporate bond rate.

The following assumptions have been made when calculating liabilities and expenses in Norway:

	Balance 2020	Profit/loss 2020 and balance 2019
Expected return	**1.5%**	2.2%
Discount rate	**1.5%**	2.2%
Wage growth	**2.0%**	2.25%
Pension adjustment	**0.0%-4.0%**	0.0%-4.0%
Mortality table	**K2013**	K2013

PENSION EXPENSE RECOGNISED IN PROFIT AND LOSS:

Amounts in NOK million	**2020**	2019
Expense related to benefits earned during the period	**232**	107
Interest expense accrued on pension liabilities	**54**	38
Expected return on pension funds	**(33)**	(12)
Service costs	**9**	1
Pension expense recognised from defined benefit plans	**263**	134
Contribution plans (employer's contribution)	**729**	692
Total pension expense recognised in profit and loss	**992**	826
Allocation in income statement:		
Pension cost recognised as part of wages and other personal expenses	**66**	50
Interest expenses and expected return recognised as part of net financial items	**1**	1
Total pension expense recognised in continued operations	**67**	51
Pension cost recognised as part of discountinued operations	**925**	775
Total pension expense recognised in profit for the year	**992**	826

REMEASUREMENT LOSS (GAIN) INCLUDED IN OTHER COMRPEHENSIVE INCOME:

Amounts in NOK million	**2020**	2019
Change in discount rate and other financial assumptions	**106**	45
Change in other assumptions	**(10)**	142
Other comprehensive income - loss/(gain) before tax	**96**	188
Tax	**(18)**	(39)
Other comprehensive income - loss/(gain) after tax	**77**	149

CHANGES IN NET PRESENT VALUE OF BENEFIT-BASED PENSION LIABILITIES:

Amounts in NOK million	2020	2019
Net pension liabilities at 1 January	**1 308**	1 180
Pension expense recognised from defined benefit plans	**263**	134
Acquisitions and disposals	**11**	-
Pension payments	**(63)**	(60)
Payments received	**(95)**	(135)
Remeasurements included in other comprehensive income	**96**	188
Effects of changes in exchange rates and other changes	**4**	2
Deconsolidation and transition to associates	**(1 470)**	-
Net pension liabilities at 31 December	**53**	1 308

NET DEFINED-BENEFIT OBLIGATIONS RECOGNISED IN THE BALANCE SHEET:

Amounts in NOK million	2020	2019
Pension liabilities at 31 December	**(120)**	(2 969)
Fair value of pension funds at 31 December	**67**	1 660
Net liabilities for benefit-based pension liabilities at 31 December	**(53)**	(1 308)
Pension funds	**0**	2
Pension liabilities	**(54)**	(1 309)
Net liabilities for benefit-based pension liabilities at 31 December	**(53)**	(1 308)

PLAN ASSETS PER CATEGORY:

Amounts in NOK million	2020	2019
Bonds	**36**	895
Other	**31**	640
Total funds Norwegian plans	**67**	1 535
Total funds for plans outside Norway	**-**	125
Total funds	**67**	1 660

The bond investments are mainly in Norwegian municipalities. Norwegian municipalities are assumed to have a rating equal to AA, but there are no official ratings for the majority of these investments. The remaining bond investments are primarily in the Norwegian market within bonds classified as being "Investment Grade".

SENSITIVITY (NORWEGIAN PLANS):

In the table below, the effect on pension expenses and pension liabilities is depicted given a one percentage point increase or decrease in the discount rate. The effect of a one percentage point increase or reduction in pension adjustment is shown as well.

Amounts in NOK million	1 %-point increase	1 %-point reduction
Discount rate	(11)	9
Future pension growth	12	(4)

Note 28 | Other interest-free long-term liabilities

Amounts in NOK million	2020	2019
US pension guarantee provision (see Note 11 to the Aker ASA financial statement)	**62**	71
Derivatives (see also Note 31)	**133**	217
Deferred revenue and deferred considerations	**5**	352
Other interest-free long-term debt	**295**	581
Total other interest-free long-term liabilities	**495**	1 222

Note 29 | Provisions

Amounts in NOK million	Warranties	Abandonment provision	Other	Total
Balance at 1 January 2020	377	109	1 289	**1 774**
Provisions made during the year	188	-	359	**547**
Provisions used during the year	(112)	(112)	(339)	**(563)**
Provisions reversed during the year	(39)	-	(211)	**(250)**
Reclassifications	1	(4)	19	**16**
Currency exchange adjustment	(4)	8	(26)	**(22)**
Deconsolidation and transition til associates	(395)	-	(355)	**(750)**
Balance at 31 December 2020	15	0	736	**752**
Non-current liabilities	-	-	729	**729**
Current liabilities	15	0	7	**22**
Balance at 31 December 2020	15	0	736	**752**

Amounts in NOK million	Warranties	Abandonment provision	Other	Total
Balance at 31 December 2018	828	223	1 513	**2 564**
Effect of implementing IFRS 16	-	-	(277)	**(277)**
Balance at 1 January 2019	828	223	1 236	**2 288**
Provisions made during the year	148	108	283	**540**
Provisions used during the year	(183)	(225)	(177)	**(585)**
Provisions reversed during the year	(433)	-	(71)	**(505)**
Reclassifications	10	-	8	**18**
Currency exchange adjustment	6	3	10	**19**
Balance at 31 December 2019	377	109	1 289	**1 774**
Non-current liabilities	-	-	101	**101**
Current liabilities	377	109	1 188	**1 673**
Balance at 31 December 2019	377	109	1 289	**1 774**

Warranties

The provision for warranties at year-end 2020 relates to Philly Shipyard. The normal warranty period for a new vessel is typically twelve months after delivery but can be extended in cases where there are specific issues that have not been fully resolved within the normal warranty period.

The decrease in warranty provisions in 2020 relates to changes in provisions in Aker Solutions and Akastor, and the deconsolidation of these companies.

Removal and decommissioning liabilities

In 2019, the current liability of NOK 109 million was related to the FPSO Dhirubhai-1 in Ocean Yield. The vessel is reclassified as held for sale together with remaining decommissioning obligation. The main part of the decommissioning work was completed in February 2020.

Other provisions

Other provisions mainly comprise Aker Energy with NOK 713 million and Aker Property Group with NOK 23 million. The provision in Aker Energy is mainly related to contingent liability from the acquisition of Hess Ghana. The provision will be settled when the Plan of Development is approved by the Ghanaian authorities. The provision is reclassified from current to non-current liability during the year.

The decrease in other provisions in 2020 mainly relates to changes in provisions in Aker Solutions and Akastor, and the deconsolidation of these companies.

Note 30 | Trade and other payables

Amounts in NOK million	2020	2019
Trade accounts payable	**402**	3 306
Contract liabilities and advances	**1 130**	1 447
Accruals of operating- and financial expenses	**187**	8 206
Other current interest-free liabilities	**699**	2 201
Total	**2 419**	15 160

Other current liabilities include VAT, payroll tax and tax withholding and reserves for unpaid wages and holiday payments.

Note 31 | Financial instruments

See also Note 6 Financial risk and exposure for description of financial instruments.

CARRYING AMOUNTS AND ESTIMATES OF FAIR VALUE

	2020		2019	
Amounts in NOK million	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets carried at fair value				
Financial assets at fair value through other comprehensive income (FVOCI) [1]	**404**	**404**	1 102	1 102
Financial assets at fair value through profit and loss (including derivatives)	**3**	**3**	1 126	1 126
Other derivative contracts - hedge accounting at FVOCI	**66**	**66**	-	-
Interest rate swaps - hedge accounting at FVOCI	-	-	5	5
Foreign exchange contracts - hedge accounting at FVOCI	-	-	209	209
Total financial assets carried at fair value	**473**	**473**	2 442	2 442
Financial assets carried at amortised cost				
Loans and receivables	**15 517**	**15 517**	22 547	22 546
Cash and cash equivalents (including long-term restricted deposits, see Note 18)	**5 063**	**5 063**	12 218	12 218
Total financial assets carried at amortised cost	**20 580**	**20 580**	34 764	34 764
Financial liabilities carried at fair value				
Foreign exchange contracts - hedge accounting at FVOCI	-	-	46	46
Other derivative contracts - hedge accounting at FVOCI	**77**	**77**	-	-
Derivative contracts - not hedge accounting at fair value through profit and loss	**178**	**178**	585	585
Other liabilities at fair value through profit and loss [2]	**43**	**43**	324	324
Total financial liabilities carried at fair value	**297**	**297**	955	955
Financial liabilities carried at amortised cost				
Bonds	**6 379**	**6 362**	11 006	11 399
Other interest-bearing debt	**23 531**	**23 660**	29 181	29 245
Interest-free non-current financial liabilities	**357**	**357**	759	759
Interest-free current financial liabilities	**1 015**	**1 015**	11 154	11 154
Total financial liabilities carried at amortised cost	**31 282**	**31 394**	52 100	52 557

1) Consist of investments in equity instruments with NOK 404 million. These investments are designated to FVOCI. The equity instruments are not held for trading and are classified as medium to long-term strategic investments. The largest investment is shares in American Shipping Company ASA with NOK 326 million.
2) Consists of total return swap agreement with underlying American Shipping Company ASA shares that are mandatory measured at fair value through profit and loss in accordance with IFRS 9.

NOK 1.8 billion of financial liabilities classified as fixed rate in the interest profile table (Note 6) are liabilities that pursuant to contract have floating interest rates but have been swapped to fixed rates using interest rate swaps. In the table above, the changes in the fair value of these derivatives due to interest rate changes are shown on the line "Derivative contracts - not hedge accounting at fair value through profit and loss".

FAIR VALUE HIERARCHY

The table below analyses financial instruments by valuation method. See Note 2 Basis for preparation and estimates and assumptions for definitions of the different levels in the fair value hierarchy.

	2020		
Amounts in NOK million	Level 1	Level 2	Level 3
Financial assets carried at fair value			
Financial assets at fair value through other comprehensive income	395	-	9
Financial assets at fair value through profit and loss (including derivatives)	-	3	-
Derivatives - hedge accounting at FVOCI	-	66	-
Total	395	69	9
Financial liabilities carried at fair value			
Derivative contracts - not hedge accounting at fair value through profit and loss	-	178	-
Other liabilities at fair value through profit and loss	-	39	4
Total	-	216	4
Fair value interest-bearing financial liabilities carried at amortised cost			
Bonds	4 480	-	1 882
Other interest-bearing debt	1 058	21 568	1 034
Total	5 537	21 568	2 916

CHANGES FOR RECURRING FAIR VALUE MEASUREMENTS FOR FINANCIAL ASSETS CLASSIFIED AS LEVEL 3 AS AT 31 DECEMBER:

Amounts in NOK million	2020	2019
Carrying amount as at 1 January	**1 763**	1 534
Transfer to level 3	**2**	4
Transfer from level 3	**(39)**	-
Total gains or losses for the period recognised in the income statement	**(96)**	207
Total gains or losses recognised in other comprehensive income	**(42)**	17
Purchases	**-**	3
Divestment and other	**(4)**	(2)
Deconsolidation and transition to associates	**(1 575)**	-
Carrying amount as at 31 December	**9**	1 763
The amount of gains or losses for the period included in profit and loss and other comprehensive income that is attributable to gains or losses related to assets and liabilities at level 3 still held at the end of the reporting period	**-**	224

Note 32 | Contingencies, guarantee liabilities and legal claims

GUARANTEES

In the course of ordinary operations, completion guarantees are issued, and advance payments are received from customers. Guarantees are typically issued to the customer by a financial institution.

LEGAL DISPUTES

Through their activities, the group companies are involved in various disputes all over the world. Provisions are made to cover expected losses resulting from such disputes if a negative outcome is likely and a reliable estimate can be prepared. However, the final decision in such cases will always be associated with uncertainty, and a liability may thus exceed the provision made in the accounts.

TAX CLAIMS

Group companies are regularly involved in matters under consideration by local tax authorities in various countries. The group treats matters, which have not been finally resolved, in accordance with the information available at the time the annual accounts are issued.

Ocean Yield

Aker Contracting FP ASA ("Aker Contracting"), a non-guaranteed subsidiary of Ocean Yield, has received a notice from Indian authorities regarding a potential tax claim related to the previous contract for the FPSO Dhirubhai-1. Aker Contracting disputes the claim and has obtained legal advice supporting their position. The matter will be referred to in Indian courts.

Note 33 | Transactions and agreements with related parties

Aker ASA's main shareholder is TRG Holding AS, controlled by Kjell Inge Røkke through The Resource Group TRG AS (TRG AS). The Aker Group treats all companies controlled by Kjell Inge Røkke as related parties.

Aker Solutions and Akastor went from being accounted for as subsidiaries to associated companies in December 2020. For practical purposes, transactions that Aker Solutions and Akastor in 2020 have had with related parties of the Aker Group are disclosed below for the full year 2020. For the information regarding balances with related parties as of the end of 2020, Aker Solutions and Akastor are treated as associated companies.

TRANSACTIONS WITH KJELL INGE RØKKE AND FAMILY

Through TRG AS, Kjell Inge Røkke owns various companies with investments in industrial properties, as well as 40 per cent of the shares of the commercial real estate company Fornebu Gateway AS. Companies within the group are tenants at several of these properties. In 2020, companies within the group paid NOK 91 million in rent to the real estate companies owned by TRG and NOK 194 million in rent to Fornebu Gateway AS (NOK 90 million to the real estate companies owned by TRG and NOK 186 million in rent to Fornebu Gateway AS in 2019). Except for contractual annual CPI-adjustments, the rent has been unchanged subsequent to TRG taking over the ownership of the properties a few years ago. The amounts above include rent from companies within Aker Solutions and Akastor for the full year 2020.

Since 2015, Aker ASA has guaranteed for certain pension liabilities in TRG AS that the company took over from Aker ASA in 2015 (see Note 11 to Aker ASA's separate financial statement).

TRG AS has per the end of 2020 contributed a total of NOK 925 million in equity to Aker Energy since the establishment of the company. TRG's subsidiary TRG Energy AS and related entities, that explores another oil field in Ghana, were in 2020 invoiced NOK 39 million from Aker Energy for manhours related to that oil field. Aker Energy had a receivable towards TRG Energy AS and related entities of USD 15.6 million in total at the of 2020.

When Aker employees perform services for Kjell Inge Røkke or other related parties, Aker's expenses are billed in full. In 2020, TRG AS and Kjell Inge Røkke paid NOK 2.4 million plus value added tax for services and rental of premises (NOK 2.6 million in 2019). TRG AS and Kjell Inge Røkke have provided services to Aker for NOK 2.5 million in 2020 (NOK 1.4 million in 2019).

Except for the above-mentioned transactions, and remuneration for his work as chairman of the board of Aker ASA and board representative in other companies within the group (see Note 34), Aker has no material outstanding accounts or other transactions with Kjell Inge Røkke.

Kristian Røkke, son of Kjell Inge Røkke, was employed as Chief Investment Officer in Aker ASA until 31 August 2020, upon when he became CEO of Aker Horizons AS. See Note 34 for information about his remuneration from Aker ASA.

TRANSACTIONS WITH EMPLOYEES

In April 2019, Aker sold 1 381 071 shares in Aker BioMarine AS to KMMN Invest II AS, a company wholly owned by Aker BioMarine's CEO Matts Johansen. The sale represented two per cent of the shares in Aker BioMarine AS, and the consideration of NOK 48 million represented estimated fair value of the shares at the time of the transaction. In connection with the sale, KMMN Invest II AS was granted an interest-bearing seller credit of NOK 45 million with the shares sold as security. At year-end 2019, the total outstanding amount for the seller credit was NOK 47 million including accrued interest. In connection with the listing of Aker BioMarine AS in July 2020, Aker repurchased 460 357 shares in Aker BioMarine from KMMN Invest II AS at a price per share equal to the price per share in the listing. The consideration was used to repay KMMN Invest II AS 'debt to Aker ASA, including accrued interest.

TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES OUTSIDE ORDINARY COURSE OF BUSINESS

Several of the companies within the group have transactions with related parties to the group as part of their ordinary course of business. This particularly applies to Aker BP, who received products and services from several companies within the group, including Ocean Yield and Cognite, as well as Aker's associated companies Aker Solutions and Akastor. Below are descriptions of other transactions with associates and joint ventures outside ordinary course of business.

Akastor ASA – acquisition of DDW Offshore AS

DDW Offshore AS (previously DOF Deepwater AS) was a joint venture between Akastor and DOF ASA ("DOF"). On October 9, 2020, DDW Offshore completed a restructuring of its debt with its lenders. The restructuring involved DOF transferring all of its shares in DDW Offshore to Akastor for a nominal amount, and Akastor hence assuming 100 per cent ownership in the company. Further, 50 per cent of the debt in DDW Offshore was converted to equity and the remaining 50 per cent remains on existing terms, including a parent company guarantee from Akastor. The maturity date of the debts is in October 2023. The company is obliged to divest all its five vessels on or around the maturity date of the debts and the sales proceeds after transaction costs shall be shared 50/50 between the lenders and DDW Offshore.

Aker BP ASA

Aker BP has in 2020 invoiced NOK 4 million to Aker Energy for services related to the development of Aker Energy's oil field in Ghana.

TRANSACTIONS AND OUTSTANDING BALANCES INVOLVING RELATED PARTIES IN 2020 AND 2019

Amounts in NOK million	**2020**	2019
Income statement:		
Operating revenues[1)]	**577**	421
Operating expenses	**(1)**	-
Depreciation and impairment ROU assets	**(111)**	(31)
Net financial items	**(11)**	(9)
Balance sheet:		
Right of use assets	**293**	1 187
Finance lease receivable	**-**	1 648
Interest-bearing receivable	**46**	381
Trade receivable and other interest-free current assets	**269**	362
Total assets	**608**	3 578
Trade liabilities and other interest-free current liabilities	**(153)**	(15)
Interest-bearing debt	**(105)**	(12)
Lease liabilities	**(341)**	(1 419)
Net exposure	**9**	2 133

[1)] In addition, operating revenues included in profit from discontinued operations in 2020 and 2019 of NOK 3.0 billion and NOK 3.1 billion, respectively. This relates mainly to sale of equipment and services from Aker Solutions to Aker BP and sale of manhours to jointly controlled entities.

Note 34 | Salary and other remuneration to the Board of Directors, nomination committee, CEO and other senior executives

REMUNERATION TO AND SHARES OWNED BY THE BOARD OF DIRECTORS

Amounts in NOK	Shares owned as of 31 December 2020	2020	2019
Kjell Inge Røkke (Chairman of the Board) [1]	50 673 577	**620 000**	620 000
Finn Berg Jacobsen (Deputy Chairman until his passing in February 2021)	6 159	**425 000**	425 000
Kristin Krohn Devold (Director)	-	**375 000**	375 000
Karen Simon (Director)	-	**375 000**	375 000
Anne Marie Cannon (Director until 26 April 2019)	-	**-**	125 000
Atle Tranøy (Employee representative)[2]	-	**187 500**	187 500
Arnfinn Stensø (Employee representative)[2]	-	**187 500**	187 500
Tommy Angeltveit (Employee representative)[2]	500	**187 500**	187 500
Amram Hadida (Employee representative until 26 April 2019)[2]	-	**-**	62 500
Total		**2 357 500**	2 545 000

1) Owns 96.5 per cent of The Resource Group TRG AS (TRG AS). TRG AS owns 99.71 per cent of TRG Holding AS, which owns 68.18 per cent of Aker ASA. TRG AS also owns 61 662 621 shares in Aker Energy AS. Kjell Inge Røkke also owns 280 800 shares in Ocean Yield ASA directly. Kjell Inge Røkke's minor son, Normann Eidsvig Røkke, owns 57 shares in Aker ASA.

2) The employee representatives have the same responsibilities as the other board directors, and should therefore generally have the same compensation. However, based om an initiative from the employees, an agreement has been made between Aker ASA and employee representatives from LO and other labour organisations, consequently the employee representatives receive a lower compensation.

REMUNERATION TO THE AUDIT COMMITTEE

Amounts in NOK	2020	2019
Finn Berg Jacobsen (Chairman of the audit committee until his passing in February 2021)	**190 000**	190 000
Atle Tranøy	**135 000**	135 000
Kristin Krohn Devold	**135 000**	135 000
Total	**460 000**	460 000

REMUNERATION TO THE NOMINATION COMMITTEE

Amounts in NOK	2020	2019
Kjell Inge Røkke (Chairman of the nomination committee)	**45 000**	45 000
Gerhard Heiberg (member of the nomination committee until 27.04.2020)	**15 000**	45 000
Leif-Arne Langøy	**45 000**	45 000
Total	**105 000**	135 000

All remunerations are vested during the year. Provisions have been made for unpaid amounts at year-end in accordance with best estimate.

In 2020, The Resource Group TRG AS (TRG) earned NOK 665 000 in board and nomination committee remuneration from Aker ASA (NOK 665 000 in 2019), through Board Chairman Kjell Inge Røkke. TRG also earned board remuneration from other Aker-owned companies totalling NOK 1 294 000 through Kjell Inge Røkke in 2020 (NOK 1 294 000 in 2019). See also Note 33 Transactions and agreements with related parties.

Some board members also hold directorships in other companies within the Aker Group. The board members earned no payments from Aker ASA in 2020 or 2019 except as described above.

AKER'S ORGANISATIONAL STRUCTURE

Aker ASA's numerous operational companies are organised into two portfolios; one industrial and one financial. At the end of 2020, Aker's executive team consisted of President and CEO Øyvind Eriksen and CFO Svein Oskar Stoknes. The company has prepared guidelines for remuneration of the CEO and senior company executives which will be presented for the company's annual general meeting on 28 April 2021 for approval. The guidelines are available under "Annual General Meeting" on the company's website.

REMUNERATION OF SENIOR EXECUTIVES

Øyvind Eriksen's appointment as President and CEO can be terminated by either party on three months' notice. If his contract is terminated by the company, Mr. Eriksen is entitled to three months' severance pay. The remuneration plan for Mr. Eriksen includes a fixed salary, standard employee pension and insurance coverage and a variable salary element. The variable salary element may total up to two-thirds of the fixed salary. As at 31 December 2020, Mr. Eriksen owns 219 072 shares in Aker ASA through his wholly-owned company Erøy AS. Erøy AS also owns 325 000 shares in Ocean Yield ASA, 208 220 shares in Cognite AS and 100 000 Class-B shares (0.2 per cent) in TRG Holding AS as at 31 December 2020.

CFO Svein Oskar Stoknes' appointment can be terminated by either party on three months' notice. If his contract is terminated by the company, Mr.

Stoknes is entitled to three months' severance pay. Any salary or remuneration received during the period of severance will be deducted from the company's severance payment. The remuneration plan for Mr. Stoknes includes a fixed salary, standard employee pension and insurance coverage and a variable salary element. Mr. Stoknes' contractual variable salary may total up to 140 per cent of his fixed salary, including a bonus-share award scheme. Mr. Stoknes' remuneration also includes an option to buy Aker ASA shares at a discount (see Aker ASA Note 2 for a description of the scheme). Stoknes was in 2020 awarded 1 639 bonus shares for 2019. As at 31 December 2020, Mr. Stoknes owns 4 425 shares in Aker ASA. In addition, Mr. Stoknes owns 26 444 shares in Aker Solutions ASA, 26 444 shares in Aker Offshore Wind AS, 26 444 shares in Aker Carbon Capture AS, and 1 297 shares in Akastor ASA as at 31 December 2020.

Kristian Røkke resigned from his position as Chief Investment Officer on 31 August 2020. The remuneration plan for Mr. Røkke included a fixed salary, standard pension and insurance coverage and a variable salary element. Mr. Røkke's contractual variable salary could total up to 140 per cent of his fixed salary, including a bonus-share award scheme. Mr. Røkke's renumeration also included an option to buy Aker ASA shares at a discount (see Aker ASA Note 2 for a description of the scheme).

Senior executives receive no remuneration for directorships or membership of nomination committees of other Aker companies. In 2020, Aker ASA invoiced a total of NOK 2 644 838 in respect of Øyvind Eriksen's directorships of other Aker companies. Aker ASA invoice NOK 2 107 998 in respect of Kristian Røkke's directorships of other Aker companies in 2020.

The President and CEO and other senior executives receive no other remuneration than described above. Accordingly, their employment conditions include no loans, guarantees or stock option rights.

Vested renumeration for senior executives follows in the tables below

Amounts in NOK			Salary	Variable pay		Additional renumeration	Total remuneration	Net pension expense
2020								
Øyvind Eriksen [1]	CEO	01.01-31.12	10 930 264	46 641		26 259	11 003 163	184 657
Svein Oskar Stoknes	CFO	01.01-31.12	3 456 029	3 225 817	2)	17 026	6 698 872	182 871
Kristian Røkke	CIO	01.01-31.08	2 171 929	2 183 035	2)	11 988	4 366 952	118 466
Sum			16 558 221	5 455 493		55 273	22 068 987	485 994

1) Due to the COVID-19 situation, Øyvind Eriksen chose to cut his salary in half for the period 01.04.2020 to 31.12.2020.
2) Including vested value of bonus shares awarded in 2021.

Amounts in NOK			Salary	Variable pay		Additional renumeration	Total remuneration	Net pension expense
2019								
Øyvind Eriksen	CEO	01.01-31-12	18 478 817	11 457 256		26 694	29 962 767	180 685
Svein Oskar Stoknes	CFO	01.08-31.12	1 446 590	2 062 807	3)	6 132	3 515 529	74 610
Frank Reite	CFO	01.01-31.07	2 794 268	3 316 769	3)	62 853	6 173 890	104 385
Kristian Røkke	CIO	01.01-31.12	3 808 689	4 688 795	3)	19 646	8 517 130	175 476
Total			26 528 364	21 525 627		115 325	48 169 316	535 156

3) Including vested value of bonus shares awarded in 2020.

Note 35 | Events after the balance sheet date

AKER HORIZONS TRANSACTIONS

In January 2021, Aker Horizons agreed to acquire 75 per cent of Mainstream Renewable Power ("Mainstream"), a leading independent renewable energy company within onshore and offshore wind and solar. The Transaction values the current equity of Mainstream at EUR 900 million on a 100 per cent basis and gives Aker Horizons a portfolio of projects in operation and under construction of about 1.4 GW, a project development pipeline of about 10 GW and a further 10 GW of identified project opportunities. The Transaction is expected to close in the second quarter of 2021, subject to customary closing conditions, including regulatory approvals, as well as approvals from Mainstream's creditors.

The same month, Aker Horizons also entered into an agreement to acquire Rainpower Holding AS ("Rainpower"). Aker Horizons will acquire 100 per cent of the shares in Rainpower and will contribute approximately NOK 100 million in capital to transition and develop the company into a next generation hydropower technology and solutions provider.

Aker Horizons raised NOK 4.6 billion in private placement and NOK 1.5 billion in convertible bond issue ahead of its Initial Public Offering on Euronext Growth Oslo on 1 February 2021. In February 2021, Aker Horizons also completed a new senior unsecured green bond issue of NOK 2.5 billion.

In February, Aker Horizons launched its new subsidiary Aker Clean Hydrogen to industrialize clean hydrogen and reduce CO_2 emissions globally, and announced that it had signed a Letter of Intent with Statkraft and Yara aiming to establish Europe's first industrial scale green ammonia project in Norway. Subsequent to the announcements, Aker Clean Hydrogen completed a private placement of NOK 3.45 billion ahead of its Initial Public Offering on Euronext Growth Oslo on 11 March 2021.

Aker ASA

Income statement

Amounts in NOK million	Note	2020	2019
Salaries and other personnel related expenses	2,10,18	**(109)**	(177)
Depreciation of fixed assets	3	**(12)**	(15)
Other operating expenses	2	**(140)**	(98)
Operating profit (loss)		**(261)**	(290)
Interest income from subsidiaries		**70**	47
Other interest income		**28**	26
Reversed impairments of shares	6	**1 093**	-
Dividends from subsidiaries	4	**55**	2 585
Foreign exchange gains		**75**	91
Gains sale of shares	4	**4 435**	13
Other financial income		**57**	69
Total financial income		**5 813**	2 832
Interest expenses to subsidiaries		**(4)**	(27)
Other interest expenses		**(233)**	(288)
Impairments of shares	6	**(262)**	(1 790)
Foreign exchange losses		**(70)**	(66)
Other financial expenses		**(181)**	(191)
Total financial expenses		**(749)**	(2 363)
Net financial items		**5 064**	468
Profit before tax		**4 803**	179
Tax expense	9	**-**	-
Profit after tax		**4 803**	179

Allocation of profit/loss for the year:

Profit (+) / loss (-)		**4 803**	179
Allocation of dividend		**(873)**	-
Transferred from (+) / allocated to (-) other equity		**(3 931)**	(179)
Total	8	**-**	-

Balance sheet as at 31 December

Amounts in NOK million	Note	2020	2019
ASSETS			
Deferred tax assets	9	-	-
Property, plant and equipment	3	78	87
Shares in subsidiaries	4	28 245	23 532
Non-current receivables from group companies	5	26	859
Other non-current financial assets	5	29	66
Total non-current assets		28 378	24 543
Current receivables from group companies	5	5	2 502
Other current receivables		74	59
Cash and cash equivalents	7	645	1 787
Total current assets		723	4 348
Total assets		29 101	28 892
EQUITY AND LIABILITIES			
Share capital		2 081	2 081
Own shares		(1)	(1)
Share premium		244	250
Other paid-in equity		-	1
Total paid-in equity		2 324	2 332
Other equity		20 185	18 004
Total equity	8	22 509	20 335
Pension liabilities	10	44	51
Other non-current provisions	11	62	80
Non-current liabilities to group companies	12	12	1 477
Non-current external interest-bearing debt	13	5 524	5 458
Total non-current liabilities		5 642	7 066
Allocated dividend	8	873	-
Current external interest-bearing debt	13	-	1 349
Other current liabilities	14	77	141
Total current liabilities		949	1 490
Total equity and liabilities		29 101	28 892

Fornebu, 24 March 2021
Aker ASA

Kjell Inge Røkke (sign)
Chairman

Kristin Krohn Devold (sign)
Director

Karen Simon (sign)
Director

Atle Tranøy (sign)
Director

Tommy Angeltveit (sign)
Director

Arnfinn Stensø (sign)
Director

Øyvind Eriksen (sign)
President and CEO

Cash flow statement

Amounts in NOK million	Note	2020	2019
Profit before tax		**4 803**	179
Sales losses/gains(-) and write-downs/reversals(-) of shares	*4,6*	**(5 266)**	1 777
Foreign exchange losses/gains(-)		**(12)**	(25)
Depreciation and write-downs of fixed assets	*3*	**12**	15
Dividend income from subsidiaries not yet received	*4*	**-**	(2 500)
Changes in other current items, etc.		**1 127**	61
Cash flow from operating activities		**664**	(493)
Sales proceeds/acquisitions(-) of fixed assets	*3*	**(3)**	(3)
Sale of shares and other equity investments		**8 524**	172
Acquisitions of shares and other equity investments		**(2 671)**	(510)
Repayments of interest-bearing receivables		**48**	1 196
Payments on interest-bearing receivables		**(10)**	(425)
Cash flow from investment activities		**5 888**	430
Issue of non-current debt		**-**	2 459
Repayments of external interest-bearing debt		**(1 351)**	(1 722)
Net repayments/payments (-) on debt to group companies		**(4 591)**	1 471
Dividend paid and payments from other equity transactions		**(1 754)**	(1 668)
Cash flow from financing activities		**(7 695)**	540
Cash flow for the year		**(1 143)**	477
Cash and cash equivalents as at 1 January	*7*	**1 787**	1 310
Cash and cash equivalents as at 31 December	*7*	**645**	1 787

Notes to the financial statements

Note 1 | Accounting principles

The financial statements are prepared and presented in Norwegian kroner (NOK). The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway as at 31 December 2020.

SUBSIDIARIES, ASSCIATES AND JOINT VENTURES

Subsidiaries are companies in which Aker ASA has control. This normally means an ownership interest of more than 50 per cent, and that the investment is long-term and of a strategic nature. Associates are companies in which Aker ASA has significant influence, but not control, which normally is the case when Aker ASA holds between 20 per cent and 50 per cent of the voting shares. Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity that is subject to joint control, and whereby the parties have rights to the net assets of the arrangement.

Subsidiaries, associates and joint ventures are accounted for using the cost method in Aker ASA's separate financial statements. A write-down to fair value is made whenever impairment is due to causes that are assumed to be non-transient. A reversal is made whenever the impairment is no longer present.

Dividends exceeding the share of retained profits since acquisition are deemed as refunds of invested capital and reduce the book value of the investments. Received dividends from companies owned less than 90 per cent are accounted for when the dividends are approved.

A group contribution received that exceeds Aker ASA's share of retained profits since acquisition, is booked as a deduction from the book value of the investment, with a corresponding deduction of the deferred tax asset (or an increase in deferred tax). In cases where no deferred tax asset is booked and an amount equal to the group contribution is transferred back to the subsidiary as a group contribution without tax effect, the entire received group contribution will be recorded as a deduction from the book value of the investment (without any corresponding entry with respect to deferred tax assets/deferred tax). The group contribution without tax effect is then correspondingly recorded as an increase in the book value of the investment, with the result that the net effect on the investment is zero. This reflects the fact that, overall, the "circular group contribution" has not constituted a transfer of value between Aker ASA and the subsidiary.

CLASSIFICATION AND ASSESMENT OF BALANCE SHEET ITEMS

Current assets and current liabilities comprise items that fall due within one year after the balance sheet date. Other items are classified as non-current assets/non-current liabilities.

Current assets are valued at the lower of acquisition cost or fair value. Current debt is recognised at its nominal value at the time it was recorded. Non-current assets are valued at acquisition cost but written down to fair value whenever impairment is deemed non-transient. Non-current debt is recognised at nominal value. Fixed interest rate bonds are accounted for at amortised cost.

RECEIVABLES

Trade receivables and other receivables are recorded at par value after the subtraction of a provision for expected losses. Provisions are made for losses based on individual assessments of each receivable.

FOREIGN CURRENCY

Transactions in foreign currencies are translated into NOK using the exchange rates applicable at the time of each transaction. Monetary items in foreign currencies are translated into NOK using the exchange rates applicable on the balance sheet date. Non-monetary items that are measured at fair value in a foreign currency are translated into NOK using the exchange rates applicable on the date of measurement. Valuation changes due to exchange rate fluctuations are recorded on a continuous basis under other financial items.

NON-CURRENT ASSETS

Non-current assets are recognised and depreciated over the estimated life of the asset. Direct maintenance of operating assets is expensed on an ongoing basis as operating expenses, while improvements and enhancements are added to the acquisition cost and depreciated in line with the asset. If the recoverable amount of the operating asset is less than its carrying value, the recoverable amount is impaired. The recoverable amount is the higher of net sales value and value-in-use. Value-in-use is the present value of the future cash flows that the asset is expected to generate.

PENSIONS

Pension expenses and pension liabilities are calculated according to linear vesting based on expected final salary. The calculation is based on a number of assumptions such as the discount rate, future salary increases, pensions and other social benefits from the Norwegian national insurance system (Folketrygden), future returns on pension funds and actuarial assumptions regarding mortality and voluntary retirement. Pension funds are recognised at fair value.

TAX

The tax expense in the income statement includes both the tax payable for the period and changes in deferred tax. Deferred tax is calculated at a nominal value rate based on the temporary differences that exist between accounting and tax values, and tax losses carried forward at the end of the accounting year. Tax increasing and tax decreasing temporary differences that reverse or can be reversed in the same period are offset. Net deferred tax assets are recognised to the extent that it is probable that they can be utilised.

CASH FLOW STATEMENT

The cash flow statement is prepared according to the indirect method. Cash and cash equivalents consist of cash, bank deposits and other current, liquid investments.

THE USE OF ESTIMATES

Preparation of the annual accounts in accordance with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the application of accounting principles, as well as the reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are reviewed and assessed on an ongoing basis, and are based on historical experience and various other factors considered to be reasonable. Changes to the accounting estimates are recognised in the profit and loss account in the same period as the one in which the estimates are revised, unless deferred allocations are prescribed by generally accepted accounting principles.

Note 2 | Salaries and other remunerations

Amounts in NOK million	2020	2019
Salaries	**77**	120
Social security contributions	**18**	20
Pension expenses exclusive financial items (see Note 10)	**6**	7
Other benefits	**8**	29
Total salaries and other personnel expenses	**109**	177
Number of employees at year-end	**40**	43
Number of full-time equivalents at year-end	**39**	42

AUDIT FEE IS INCLUDED IN OTHER OPERATING EXPENSES AND CONSISTS OF THE FOLLOWING:

Amounts in NOK million, inclusive VAT	2020	2019
Statutory audit	**2.3**	2.2
Attestation services	**-**	-
Tax services	**-**	-
Other services	**0.9**	0.8
Total	**3.2**	3.0

REMUNERATION TO/FROM GROUP COMPANIES AND RELATED PARTIES CONSIST OF THE FOLLOWING:

Amounts in NOK million	2020	2019
Invoiced for services and office rent within the Group	**14.2**	17.3
Invoiced for services to The Resource Group TRG AS	**2.3**	2.5
Procured services from The Resource Group TRG AS and Kjell Inge Røkke	**(2.5)**	(1.6)
Board fee to The Resource Group TRG AS, excluding payroll tax	**(0.7)**	(0.7)
Total	**13.3**	17.5

See Note 33 to the group accounts for other transactions with related parties.

INCENTIVE PROGRAMME FOR EMPLOYEES (EXCLUDING THE PRESIDENT AND CEO)

Aker ASA has adopted an incentive programme to promote the company's goals and align employees' and shareholders' motivation. In 2020, the incentive programme had the following elements:

- a dividend bonus, based on the Aker ASA dividend
- a personal bonus, based on personal achievement
- bonus shares, allocated on the basis of on an agreed increase in net asset value
- an option to purchase Aker ASA shares subject to a lock-up period.

See Note 34 to the group accounts regarding the incentive program for the President and CEO.

BONUS CEILING

Dividends and personal bonuses are paid in cash in the year after the vesting year. Participants can achieve a total bonus equal to a defined percentage of fixed salary (bonus ceiling), split into a dividend bonus and a personal bonus.

DIVIDEND BONUS

The dividend bonus is linked to dividends paid for the vesting year. The calculation of the maximum potential dividend bonus is based on the target yield for net asset value and the corresponding target dividend for the vesting year. Participants receive a dividend bonus in cash based on the dividend per share proposed by the board of directors. If actual dividend proposed is lower than the target dividend, the dividend bonus paid is reduced proportionately.

PERSONAL BONUS

The personal bonus is linked to the achievement of personal results and goals, and is set based on an overall evaluation covering each participant's personal achievements and development, the results and development of the company and the unit to which the participant belongs, and the participant's contribution to the Aker-community.

BONUS SHARES

Participants may be awarded shares in the company if the company achieves an increase in net asset value of more than 10 per cent in the relevant year. The number of potential bonus shares cannot be determined before allocation takes place, as the final number is based on the share price on the determination date and the participant's salary as at 31 December of the vesting year. An allocation range is calculated for the award of bonus shares at the beginning of the vesting year, equal to 50 per cent of the range for the dividend bonus. The fixed allocation range is a gross range. The participant's estimated tax on the free bonus shares is deducted from this gross range, as the company pays this amount in by way of advance tax deduction. Deduction of tax leaves a net range as a basis for calculating the number of bonus shares. The value of the bonus shares equals the weighted average share price for the three days prior to the award date minus a deduction to take into the account the lock-up period (20 per cent). The lock-up period is three years from the date the bonus shares are received. The limitations on the right of participants to dispose of the discounted shares freely are registered in VPS as a restriction in favour of the company. If a participant leaves the company during the lock-up period, 50 per cent of the distributed bonus shares are returned to the company without compensation to the participant.

OPTION TO PURCHASE SHARES SUBJECT TO A LOCK-UP PERIOD

Participants may purchase shares in the company at a price equal to 80 per cent of the share price at the time the shares are purchased. The number of shares that can be purchased during the vesting year is calculated based on the estimated number of bonus shares the participant may theoretically receive at the end of the earning year if he/she achieves the maximum bonus. Participants choose how many shares they want to buy within their allocation range. A lock-up period of three years applies from the date the shares are received. The limitations on the right of participants to dispose of the shares freely are registered in VPS as a restriction in favour of the company. The lock-up period continues to apply if the participant leaves the company during the lock-up period, unless the company and the participant agree otherwise.

Dividend bonuses and personal bonuses are recorded as salary expenses. An allocation of NOK 20 million has been made under other current liabilities as at 31 December 2020 in respect of dividend bonuses and personal bonuses including holiday pay and payroll tax. The accrual of bonus shares is recorded as a salary expense in the income statement distributed over the lock-up period. The contra entry is other equity.

Note 3 | Property, plant and equipment

Amounts in NOK million	Art	Office equipment and fixtures	Property	Total
Acquisition cost as at 1 January 2020	43	107	8	**158**
Disposals and scrapping	-	(10)	-	**(10)**
Additions	-	3	-	**3**
Acquisition cost as at 31 December 2020	43	100	8	151
Accumulated depreciation and write-downs	(17)	(54)	(1)	**(73)**
Book value as at 31 December 2020	26	45	6	78
Depreciation for the year	-	(12)	-	**(12)**
Useful life		3-8 years	50 years	
Depreciation plan	No depreciations	Linear	Linear	

Note 4 | Shares in subsidiaries

Amounts in NOK million	Ownership in % 1)	Location, city	Equity as at 31 Dec. 2020 2)	Profit before tax 2)	Dividend received 3)	Book value
Aker Capital AS	100.0	Fornebu	19 727	(406)	-	**24 283**
Aker Holding AS	100.0	Fornebu	3 416	1 559	-	**3 416**
LN-XAX Air AS	100.0	Fornebu	443	(46)	-	**442**
Resource Group International AS	100.0	Fornebu	53	-	-	**52**
Norron Holding AB	54.3	Stockholm	116	99	-	**44**
Intellectual Property Holdings AS	100.0	Fornebu	2	-	-	**8**
Aker Achievements AS	100.0	Fornebu	8	1	-	**-**
Total					-	**28 245**

1) Ownership and voting interest.
2) 100 per cent of the company's equity before dividends and group contributions as at 31 December and profit before tax in 2020. Norron Holding AB figures are group figures.
3) Aker ASA har recognized a dividend income of NOK 55 million from Aker Solutions in August 2020 in the form of shares in Aker Carbon Capture AS and Aker Offshore Wind AS.

The investments are recorded at the lowest of fair value and cost price.

Gains sale of shares mainly consist of the sale in April 2020 of all the company's shares in Aker BioMarine AS to Aker Capital AS for fair value based on third-party valuation. This resulted in an accounting gain of NOK 4 092 million. In addition, a net accounting gain arose from the transfer of shares in Aker Carbon Capture AS and Aker Offshore Wind AS to Aker Horizons AS at fair value in December 2020, with a total gain of NOK 343 million.

Note 5 | Other non-current financial assets and receivables from subsidiaries

Amounts in NOK million	2020	2019
Aker Pensjonskasse	25	4
Other non-current receivables	3	61
Others	1	1
Total other non-current financial assets	**29**	**66**

Amounts in NOK million	2020	2019
Aker Capital AS	26	-
Aker BioMarine AS	-	857
Resource Group International AS	-	2
Total non-current receivables from group companies	**26**	**859**

The receivables have maturities of more than one year. Interest terms on the receivables reflect market terms.

Amounts in NOK million	2020	2019
Others	5	2
Aker Capital AS	-	2 500
Total current receivables from group companies	**5**	**2 502**

Note 6 | Impairments and reversals of impairment of shares

Amounts in NOK million	2020	2019
Aker Holding AS	1 093	-
Total reversals of impairments of share investments	**1 093**	**-**
Aker Holding AS	-	(1 459)
LN-XAX Air AS	(43)	-
Aker Solutions ASA	(149)	(259)
Akastor ASA	(70)	(73)
Total impairments of share investments	**(262)**	**(1 790)**

Note 7 | Cash and cash equivalents

Amounts in NOK million	2020	2019
Unrestricted cash	628	1 768
Restricted cash	17	20
Total cash and cash equivalents	**645**	**1 787**

Note 8 | Shareholders' equity

The share capital at 31 December 2020 consisted of 74 321 862 shares with a nominal value of NOK 28 per share. All shares have equal voting rights and are entitled to dividends. Aker ASA has no voting rights for its own shares. At 31 December 2020, Aker ASA had 49 101 own shares, and the number of shares outstanding was 74 272 761. At the Annual General Meeting on 28 April 2021, it will be proposed a dividend of NOK 11.75 per share, totalling NOK 873 million. In addition, it is proposed that the Annual General Meeting authorizes the Board of Directors to declare additional dividend in 2021 based on the 2020 annual accounts.

CHANGES IN SHAREHOLDER'S EQUITY IN 2020 ARE SHOWN BELOW:

Amounts in NOK million	Share capital	Premium on shares	Share premium	Other paid-in capital	Total paid-in capital	Other equity	Total equity
Equity as at 1 January	2 081	(1)	250	1	2 332	18 004	**20 335**
Purchased/sold/bonus treasury shares	-	-	-	(7)	(7)	-	**(7)**
Changes in estimate pension booked directly against equity	-	-	-	-	-	(4)	**(4)**
Additional dividend paid in 2020 based on 2019 annual accounts	-	-	-	-	-	(1 745)	**(1 745)**
Allocation of dividend for 2020	-	-	-	-	-	(873)	**(873)**
Reclassification	-	-	(6)	6	-	-	**-**
Profit for the year	-	-	-	-	-	4 803	**4 803**
Equity as at 31 December	2 081	(1)	244	-	2 324	20 185	**22 509**

In 2020, the company has acquired 50 000 treasury shares and sold/distributed 44 562 treasury shares in connection with the employees' incentive program. Net effect recorded against equity was NOK 10 million.

In addition, accrued share bonus in 2020 with NOK 2 million has been recorded as an expense and increased other equity. Other equity has been reduced through distribution of profit and loss with the same amount and accrued share bonus totally has net zero effect on other equity.

THE 20 LARGEST SHAREHOLDERS AS AT 31 DECEMBER 2020:

	Number of shares	Per cent
TRG Holding AS	50 673 577	68.2%
Folketrydefondet	2 788 421	3.8%
UBS AG	1 271 555	1.7%
Tvenge, Torstein Ingvald	1 000 000	1.4%
JPMorgan Chase Bank, N.A., London	610 820	0.8%
State Street Bank and Trust Comp	573 546	0.8%
Verdipapirfondet DnB Norge	513 512	0.7%
JPMorgan Chase Bank, N.A., London	430 781	0.6%
The Bank of New York Mellon SA/NV	360 588	0.5%
State Street Bank and Trust Comp	300 897	0.4%
Verdipapirfondet KLP aksjenorge	282 937	0.4%
Pagano AS	274 977	0.4%
Verdipapirfondet KLP aksjenorge	269 513	0.4%
KBC Bank NV	263 690	0.4%
Verdipapirfond Odin Norge	262 328	0.4%
Storebrand Norge I verdipapirfond	259 982	0.4%
BNP Paribas Securities Services	258 644	0.4%
VPF DnB AM norske aksjer	254 689	0.3%
DNB Markets Aksjehandel/-analyse	254 354	0.3%
Erøy AS	219 072	0.3%
Others	13 197 979	17.8%
Total	**74 321 862**	**100%**

Note 9 | Tax expense and deferred tax

The table below shows the difference between accounting and tax values at the end of 2020 and 2019 respectively, changes in these differences, deferred tax assets at the end of each year and the change in deferred tax assets.

Amounts in NOK million	2020	2019
Provisions and accruals	29	35
Fixed asset differences	(6)	(3)
Net pension liability/guarantee pension	(106)	(121)
Capital gains and loss reserve	21	26
Total differences	(62)	(63)
Tax losses carried forward	(4 376)	(3 962)
Other differences	(366)	(272)
Total deferred tax basis	(4 803)	(4 297)
Net deferred tax 22%	(1 057)	(945)
Write-down deferred tax assets	1 057	945
Recognised deferred tax assets	-	-

Deferred tax asset is recognised in the balance sheet if future utilisation of the asset is expected. The deferred tax assets have been written down to zero as of 31 December 2020.

ESTIMATED TAXABLE INCOME

Amounts in NOK million	2020	2019
Profit before tax	4 803	179
Permanent differences	(5 216)	(527)
Change in temporary differences	(1)	(50)
Estimated taxable income	(414)	(398)
Tax payable 22% in the profit and loss account	-	-
Tax payable 22% in the balance sheet	-	-

INCOME TAX EXPENSE

Amounts in NOK million	2020	2019
Tax payable in the profit and loss account	-	-
Change in deferred tax	-	-
Total tax expense	-	-

RECONCILIATION OF EFFEKCTIVE TAX RATE IN THE PROFIT AND LOSS ACCOUNT

Amounts in NOK million	2020	2019
22% tax on profit before tax	(1 057)	(39)
22% tax on permanent differences	1 168	116
Change earlier years	-	57
Change in unrecognised deferred tax asset	(111)	(134)
Estimated tax expense	-	-
Effective tax rate (tax expense compared with profit / loss before tax)	0%	0%

Note 10 | Pension expenses and pension liabilities

According to the Norwegian Occupational Pensions Act (Lov om tjenestepensjon), the company is required to provide a pension plan for all its employees. The company's pension plans meet the statutory requirements. Aker ASA primarily covers its pension liabilities through a group pension plan provided by a life insurance company. For accounting purposes, the pension scheme is mainly treated as a defined contribution plan. The pension scheme for 4 active persons is treated as a defined benefit plan as of 31 December 2020. In addition, Aker ASA has uninsured pension liabilities, which gives rights to defined future benefits.

ACTUARIAL CALCULTATIONS HAVE BEEN UNDERTAKEN BASED ON THE FOLLOWING ASSUMPTIONS	2020	2019
Discount rate	**1.5%**	2.2%
Wage increases	**2.0%**	2.3%
Social security base adjustment / inflation	**1.8%**	2.0%
Pension adjustment	**0.0 % - 1.2 %**	0.0 % - 1.2 %

The actuarial assumptions are based on assumptions commonly used in the life insurance industry with respect to demographic factors.
The discount rate is based on the Norwegian high-quality corporate bond rate.

PERCENTAGE COMPOSITION OF PENSION ASSETS	2020	2019
Bonds	**79.5%**	81.1%
Shares	**11.1%**	9.8%
Property/other	**9.4%**	9.1%

PENSION EXPENSES

Amounts in NOK million	2020	2019
Present value of this year's pension accruals	**(1)**	(1)
Interest expense on accrued pension liabilities	**(2)**	(2)
Expected return on pension funds	**1**	1
Net pension expenses defined benefit plan	**(2)**	(2)
Pension expenses defined contributions plan	**(5)**	(6)
Total pension expenses	**(7)**	(8)

Total pension expenses are included in Salaries and other personnel related expenses with NOK 6 million and in Other financial expenses with NOK 1 million.

NET PENSION LIABILITIES AS AT 31 DECEMBER

Amounts in NOK million	2020 [1)]	2019 [1)]
Present value of accrued pension liabilities	**(89)**	(96)
Value of pension funds	**45**	45
Net pension liabilities	**(44)**	(51)
Number of individuals covered	**51**	56

1) Provision has been made for social security contributions on plans with net pension liabilities.

The plans include 4 active and 47 retired persons.
Pension funds are invested in accordance with the general guidelines for life insurance companies. Recorded pension liabilities are calculated on the basis of estimated future pension liabilities and accrued in accordance with generally accepted accounting principles. The pension liability recorded in the accounts is not the same as the vested pension rights as at 31 December.

Note 11 | Other non-current provisions

Amounts in NOK million	2020	2019
US pension guarantee provision	62	71
Unrealised loss on foreign exchange derivatives	-	9
Total other non-current provisions	**62**	**80**

Aker ASA had earlier signed a guarantee commitment regarding the US pension fund Kvaerner Consolidated Retirement Plan with Kvaerner US Inc (KUSI). As of December 2015, Aker Maritime Finance AS ("AMF") took over the pension liability from KUSI in order to avoid accelerated payments under the Aker ASA guarantee because of a potential bankruptcy of KUSI. Aker ASA continued to guarantee for the liability and shall cover for all AMF's expenses related to the pension plan. In 2017, Aker Maritime Finance AS merged with The Resource Group TRG AS ("TRG"), and the commitment of Aker ASA to cover the expenses is now against TRG. As at 31 December 2020, Aker ASA has made a provision of NOK 62 million in the balance sheet.

Note 12 | Non-current liabilities to subsidiaries

Amounts in NOK million	2020	2019
Aker Holding Start 2 AS	12	12
Aker Capital AS	-	1 447
AGE Air AS	-	12
LN-XAX Air AS	-	6
Total non-current liabilities to group companies	**12**	**1 477**

Note 13 | External interest-bearing debt

Amounts in NOK million	Interest	Maturity	2020	2019
Bond AKER09	Nibor + 5%	September 2022	1 000	1 000
Bond AKER14	Nibor + 2.65%	January 2023	2 000	2 000
Schuldschein loan - fixed rate tranche	1.67%	March 2024	314	296
Schuldschein loan - floating rate tranche	Euribor + 1.60%	March 2024	733	690
Bond AKER15	Nibor + 1.9%	November 2024	1 500	1 500
Loan expenses			(23)	(28)
Total non-current external interest-bearing liabilities			**5 524**	**5 458**
Bond AKER13	Nibor + 3.5%	May 2020	-	768
Bond AKER10	Nibor + 4%	June 2020	-	583
Loan expenses			-	(1)
Total current external interest-bearing liabilities			**-**	**1 349**

The Schuldschein loan is denominated in EUR. The other loans are in NOK. The company is in no breaches to its covenants as of 31 December 2020.

Note 14 | Other current liabilities

Amounts in NOK million	2020	2019
Other accrued expenses	-	41
Accrued interest external	25	38
Foreign exchange derivatives	-	25
Other	52	37
Total other current liabilities	**77**	141

Note 15 | Guarantee obligations

Amounts in NOK million	2020	2019
Loan guarantees	308	308
Other guarantees	43	41
Total guarantee obligations	**351**	349

Loan guarantees mainly consisted of guarantees related to Aker BioMarine AS with NOK 305 million that lapsed in February 2021.

Note 16 | Financial market risk

The company are exposed to several types of financial risk, the most significant of which are credit, liquidity, foreign exchange and interest rate risk. The purpose of risk management is to measure and manage financial risks in a reliable manner, in order to increase predictability and simultaneously minimise any negative impacts on Aker's financial results. Aker ASA has loan and guarantee commitments that contain equity covenants. At 31 December 2020, Aker ASA was in compliance with all such covenants. See also Note 6 and Note 35 to the group accounts.

Aker ASA secures a part of net exposure in cash flow in foreign exchange and normally not balance items. Cash flow, including detectable structural transactions and possible loans in foreign exchange are secured within fixed intervals. In total, Aker ASA has hedged USD 45 million net by means of forward contracts and options. As at 31 December 2020, the income statement shows a net gain of NOK 2 million on the foreign exchange agreements. Unrealised gain of NOK 2 million is included in other current receivables.

Note 17 | Shares owned by board members and key executives

See Note 34 to the financial statements of the Group.

Note 18 | Salary and other remuneration to the Board of Directors, nomination committee, CEO and other senior executives

See Note 34 to the financial statements of the Group.

Note 19 | Disputes and contingent liabilities

There are no known major disputes or contingent liabilities as at 31 December 2020.

Note 20 | Events after the balance sheet date

See Note 35 to the financial statements of the Group.

Directors' responsibility statement

Today, the board of directors and the president and chief executive officer reviewed and approved the board of directors' report and the consolidated and separate annual financial statements of Aker ASA, consolidated and parent company for the year ending and as of 31 December 2020.

Aker ASA's consolidated financial statements have been prepared in accordance with IFRSs and IFRICs adopted by the EU as well as additional disclosure requirements in the Norwegian Accounting Act and as such are to be applied per 31 December 2020. The separate financial statements of Aker ASA and the parent company have been prepared in accordance with the Norwegian Accounting Act and Norwegian accounting standards as at 31 December 2020. The board of directors' report for the group and the parent company satisfy with the requirements of the Norwegian Accounting Act and Norwegian accounting standard no. 16, as at 31 December 2020.

To the best of our knowledge:

- The consolidated and separate annual financial statements for 2020 have been prepared in accordance with applicable accounting standards.
- The consolidated and separate annual financial statements give a true and fair overall view of the assets, liabilities, financial position and profit/loss of the group and for the parent company as of 31 December 2020.
- The board of directors' report provides a true and fair review of the
  – development and performance of the business and the position of the group and the parent company,
  – the principal risks and uncertainties the group and the parent company may face.

Fornebu, 24 March 2021
Aker ASA

Kjell Inge Røkke (sign)
Chairman

Kristin Krohn Devold (sign)
Director

Karen Simon (sign)
Director

Atle Tranøy (sign)
Director

Tommy Angeltveit (sign)
Director

Arnfinn Stensø (sign)
Director

Øyvind Eriksen (sign)
President and CEO

Independent auditor's report

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To the Annual Shareholder's Meeting of Aker ASA

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker ASA, which comprise:

- The financial statements of the parent company Aker ASA (the Company), which comprise the balance sheet as at 31 December 2020, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Aker ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2020, the income statement, total comprehensive income, consolidated statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 and the Group as required by laws and regulations, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

Independent auditor's report - 2020
Aker ASA

1. *Assessment of the carrying value of FPSO Dhirubhai-1*

Reference is made to Note 2 Basis for preparation and estimates and assumptions, Note 5 Accounting principles, Note 12 Impairments, Note 15 Property, plant and equipment, and the Board of Directors' report.

The key audit matter	*How the matter was addressed in our audit*
The identification of indicators of impairment and the preparation of the estimate of the recoverable amount of an asset involves significant uncertainties and subjective judgments, which requires special audit consideration. Property, plant and equipment include the FPSO Dhirubhai-1 with carrying value of NOK 439 million as of 31 December 2020. The impairment assessment of the FPSO Dhirubhai-1 is considered to be a risk area mainly due to the economic environment in the oil & gas business segment. An impairment of NOK 809 million related to the FPSO Dhirubhai-1 has been recognised in 2020. As the long-term charter for the FPSO Dhirubhai-1 expired in September 2018, and no new contract has been entered into by 31 December 2020, there is an increased uncertainty for how long the unit will be idle, which has resulted in the impairment in 2020. The FPSO Dhirubhai-1 is being marketed for sale and has been reclassified as an asset held for sale from 1 January 2020 and accounted for at fair value. The conditions for classifying the asset as held for sale are considered fulfilled, since we have deemed the asset is ready for sale, and it is likely that a sale will be completed.	We applied professional skepticism. Audit procedures in this area includes: • assessing the mathematical and methodological integrity of management's impairment models and the reasonableness in reference to market data; • evaluating and challenging management's estimates related to weighing of scenarios, future cash flow and other central assumptions, and to what extent they are suitable for impairment testing, and • evaluating the appropriateness of the disclosures in the financial statements related to the carrying value of property, plant and equipment. From the audit evidence obtained, we consider management's assessment of the carrying value of the FPSO Dhirubhai-1 to be in accordance with the requirements under the relevant accounting standards.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, with the exception on Other Legal and Regulatory Requirements below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, 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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report and in the statements in the ESG report concerning the financial statements, the going concern assumption and the proposed allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 24 March 2021
KPMG AS

Arve Gevoll
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

Aker ASA and holding companies

Combined income statement

Amounts in NOK million	Note	2020	2019
Operating revenues		**-**	-
Operating expenses		**(270)**	(267)
Depreciation and impairment	*7*	**(82)**	(25)
Operating profit		**(352)**	(292)
Dividends received	*2*	**2 341**	3 482
Other financial items	*3*	**(589)**	(597)
Value change of shares	*4*	**3 815**	(435)
Profit before tax		**5 215**	2 159
Income tax expense	*5*	**-**	-
Profit for the year		**5 215**	2 159

Combined balance sheet as at 31 December

Amounts in NOK million	Note	2020	2019
ASSETS			
Property, plant and equipment	7	**562**	815
Interest-bearing non-current receivables	8	**1 785**	1 068
Financial interest-free non-current assets	7,8	**15**	210
Equity investments	6	**25 018**	20 681
Total financial non-current assets		**26 817**	21 960
Total non-current assets		**27 380**	22 775
Interest-free current receivables		**34**	39
Interest-bearing current receivables	8	**52**	144
Cash and cash equivalents	9	**1 303**	3 715
Total current assets		**1 390**	3 899
Total assets		**28 769**	26 674
SHAREHOLDERS' EQUITY AND LIABILITIES			
Paid-in capital		**2 324**	2 332
Retained earnings		**14 981**	12 383
Total equity	10	**17 305**	14 714
Non-current provisions	11	**106**	131
Interest-bearing non-current liabilities	12	**10 351**	9 402
Total non-current liabilities		**10 457**	9 533
Interest-free current liabilities	11	**1 007**	199
Interest-bearing current liabilities	12	**-**	2 227
Total current liabilities		**1 007**	2 427
Total equity and liabilities		**28 769**	26 674

Fornebu, 24 March 2021
Aker ASA

Kjell Inge Røkke (sign)
Chairman

Kristin Krohn Devold (sign)
Director

Karen Simon (sign)
Director

Atle Tranøy (sign)
Director

Tommy Angeltveit (sign)
Director

Arnfinn Stensø (sign)
Director

Øyvind Eriksen (sign)
President and CEO

Notes to the financial statements

Note 1 | Accounting principles and basis for preparation

The combined financial statements of Aker ASA and holding companies have been prepared to present Aker's financial position as a parent holding company. The traditional financial statement of the parent company has been extended to include all subordinate administrative service and holding companies that are wholly-owned by Aker ASA and have balance sheets containing only investments, bank deposits and debt.

THE COMPANIES THAT HAVE BEEN COMBINED ARE AS FOLLOWS:

- Aker ASA
- Aker Capital AS
- Aker Holding Start 2 AS
- Aker US Services LLC
- Resource Group International AS
- Aker Holding AS
- LN-XAX Air AS

To the extent applicable, the accounting principles of Aker ASA and holding companies are based on the same accounting principles as Aker ASA. See accounting principles of Aker ASA on page 101. One exception from Aker ASA's accounting principles is that the acquisition and disposal of companies is part of the ordinary business of Aker ASA and holding companies. Consequently, gains on sales of shares are classified as operating revenues in the combined income statement. Group contributions approved after the balance sheet date are accounted for in the year of approval.

Note 2 | Dividends received

Amounts in NOK million	2020	2019
Aker BP ASA	**1 594**	2 653
Ocean Yield ASA	**347**	658
Aker Property Group AS	**244**	-
American Shipping Company ASA	**101**	86
Aker Solutions ASA	**55**	-
Aker Kværner Holding AS	**-**	67
Other	**-**	18
Total dividends received	**2 341**	3 482

Note 3 | Other financial items

Amounts in NOK million	2020	2019
Interest income from subsidiaries	**53**	48
Other interest	**(334)**	(395)
Other financial items	**(308)**	(250)
Total other financial items	**(589)**	(597)

Other financial items in 2020 included a loss on total return swap (TRS) agreements of NOK 106 million, write-down on receivables of NOK 131 million and loss on foreign exchange including hedge instruments totalling NOK 44 million.

Other financial items in 2019 included a loss on total return swap (TRS) agreements of NOK 26 million and loss on foreign exchange including hedge instruments totalling NOK 147 million.

Note 4 | Value change of shares

Amounts in NOK million	2020	2019
Aker BioMarine AS	**2 578**	-
Aker Carbon Capture AS [1)]	**1 291**	-
Aker Offshore Wind AS [1)]	**579**	-
Solstad Offshore ASA	**66**	(44)
Align AS	**(58)**	(59)
Ocean Yield ASA	**(60)**	-
Aker Solutions ASA	**(287)**	(259)
Akastor ASA	**(288)**	(73)
Other changes in value of shares	**(6)**	-
Total	**3 815**	(435)

1) Value change before sale/equity contributions to Aker Horizons AS.

Note 5 | Taxes

Deferred tax asset is incorporated in the balance sheet if budgets and plans indicate that the asset will be utilised in the future. The deferred tax assets have been written down to zero as of 31 December 2020 and 31 December 2019.

Note 6 | Equity investments

At 31 December 2020	Ownership in per cent	Number of shares	Book value (NOK million)	Per share market value (NOK)	Market value [1)] (NOK million)
Industrial Holdings					
Aker BP ASA	40.00	144 049 005	8 967	216.20	31 143
Aker BioMarine AS	77.79	68 132 830	4 995	117.50	8 006
Ocean Yield ASA	61.65	108 066 832	2 869	26.55	2 869
Aker Solutions ASA	33.34	164 090 489	2 699	16.45	2 699
Aker Horizons AS	100.00	3 000	1 819	-	7 591
Aker Energy AS	50.79	63 633 423	957	-	957
Akastor ASA	36.70	100 565 292	712	7.08	712
Cognite AS	61.97	6 791 780	42	-	2 816
Total industrial investments			23 061		56 793
Financial Investments					
Aker Property Group AS			508		
REC Silicon ASA			385		
American Shipping Company ASA			317		
Abelee AS			197		
Solstad Offshore ASA			179		
Aker Onshore Wind AS			122		
OY Holding Suez Limited			54		
Philly Shipyard ASA			51		
Norron Holding AB			44		
OY Holding LR2 Limited			35		
Aize Holding AS			21		
Trygg IDT Holdings I Corp			20		
Other equity investments			24		
Total shares and long-term equity investments			**25 018**		

1) See Note 13.

Note 7 | Property, plant and equipment and financial interest-free non-current assets

Amounts in NOK million	Financial interest-free fixed assets	Property, plant and equipment	**Total 2020**	Total 2019
Pension funds	-	-	**-**	1
Interest-free non-current receivables from subsidiaries	13	-	**13**	209
Other	2	562	**564**	815
Total	15	562	**577**	1 025

In 2020, property, plant and equipment include an airplane of NOK 436 million (NOK 679 million in 2019). The item also includes inventory, software, office machines and real estate of NOK 95 million (NOK 105 million in 2019).

The depreciation in 2020 was NOK 32 million (NOK 25 million in 2019). Impairment in 2020 was NOK 50 million (NOK 0 million in 2019) and is related to impairment of an airplane.

Note 8 | Interest-bearing receivables and interest-free non-current receivables

Amounts in NOK million	Interest-bearing current receivables	Interest-bearing non-current receivables	**Total 2020**	Total 2019
Receivables from subsidiaries	-	1 482	**1 482**	743
Receivable Estremar Invest AS	-	263	**263**	349
Other receivables	52	40	**93**	120
Total	52	1 785	**1 837**	1 213

INTEREST-BEARING RECEIVABLES AND INTEREST-FREE NON-CURRENT RECEIVABLES FROM SUBSIDIARIES AT 31 DECEMBER 2020:

Amounts in NOK million	Interest-bearing current receivables	Interest-bearing non-current receivables	**Total interest-bearing**	Interest-free non-current receivables	**Total receivables subsidiaries**
Aker Horizons AS	-	1 176	**1 176**	7	**1 184**
Aize Holding AS	-	210	**210**	3	**213**
Cognite AS	-	82	**82**	-	**82**
Aker Onshore Wind AS	-	13	**13**	-	**13**
Other companies	-	-	**-**	3	**3**
Total	-	1 482	**1 482**	13	**1 495**

Note 9 | Cash and cash equivalents

Cash and cash equivalents amounted to 1 303 million as at the end of 2020. Of this total, NOK 17 million were restricted deposits.

Note 10 | Shareholders' equity

Amounts in NOK million	Share capital	Premium on shares	Share premium	Other paid-in capital	Total paid-in capital	Retained earnings	Total equity
Balance at 31 December 2019	2 081	(1)	250	1	2 332	12 383	14 714
Profit for the year	-	-	-	-	-	5 215	5 215
Paid additional dividend	-	-	-	-	-	(1 745)	(1 745)
Allocation of dividend	-	-	-	-	-	(873)	(873)
Changes in estimate pension	-	-	-	-	-	(4)	(4)
Purchased/sold/bonus treasury shares	-	-	-	(7)	(7)	-	(7)
Reclassification	-	-	(6)	6	-	-	-
Including Aker Holding AS	-	-	-	-	-	5	5
Equity at 31 December 2020	2 081	(1)	244	-	2 324	14 981	**17 305**

At 31 December 2020, the number of issued shares was 74 321 862, the number of treasury shares was 49 101 and the number of outstanding shares was 74 272 761. All shares have equal voting rights and are entitled to dividends. Aker ASA has no voting rights for its own shares. A dividend of NOK 11.75 per share, NOK 873 million in total, will be proposed at the Annual General Meeting on 28 April 2021. Furthermore, it will be proposed for the Annual General Meeting that the Board of Directors is authorised to declare additional dividends based on the 2020 annual accounts.

Note 11 | Interest-free current and non-current liabilities

Amounts in NOK million	Current	Non-current	**Total 2020**	Total 2019
Pension liabilities	-	43	**43**	51
Guarantee liability The Resource Group TRG AS[1]	-	62	**62**	71
Dividend	873	-	**873**	-
Other liabilities	135	-	**135**	209
Total	1 007	106	**1 113**	330

1) See Note 11 to the Aker ASA separate financial statements

Note 12 | Interest-bearing current and non-current liabilities

INTEREST-BEARING LIABILITIES TO EXTERNAL CREDITORS IS SHOWN BELOW:

Amounts in NOK million	**2020**	2019
Non-current bonds	**4 500**	4 500
Secured bank loans	**4 840**	3 951
Unsecured bank loans	**1 047**	986
Capitalised fees	**(36)**	(36)
Total non-current interest-bearing liabilities	**10 351**	9 402
Current bonds	**-**	1 351
Secured bank loans (3-year loan with annual rollover)	**-**	878
Capitalised fees	**-**	(1)
Total current interest-bearing liabilities	**-**	2 227
Total interest-bearing liabilities	**10 351**	11 629

INSTALMENT SCHEDULE FOR EXTERNAL INTEREST-BEARING LIABILITIES, BY TYPE:

Amounts in NOK million	Bonds	Secured bank loans	Unsecured bank loans	Accrued fees	**Total**
2021	-	-	-	-	**-**
2022	1 000	-	-	(2)	**998**
2023	2 000	4 840	-	(19)	**6 820**
2024	1 500	-	1 047	(14)	**2 533**
Total	4 500	4 840	1 047	(36)	**10 351**

Note 13 | Risk

THE BALANCE SHEET OF AKER ASA AND HOLDING COMPANIES IS SPLIT INTO TWO SEGMENTS:

Per cent	2020	2019
Industrial investments	**80%**	73%
Financial investments	**20%**	27%
Specification financial investments:		
Funds- and equity investments	**7%**	5%
Cash	**5%**	14%
Interest-bearing receivables	**6%**	5%
Fixed assets, deferred tax assets and interest-free receivables	**2%**	4%

The businesses within each category are exposed to macro-development in their respective market segments.

The total book value of the assets of Aker ASA and holding companies are NOK 28 769 million including the book value for Industrial investments of NOK 23 061 million. The book value and market value of each investment included in Industrial investments are specified in Note 6. The total market value of the Industrial investments, NOK 56 793 million, is significantly higher than the book value. The book value of the unlisted company Aker Energy AS is included in the total market value. For the unlisted company Cognite AS, market value reflects the value set in October 2020 by a share issue in Cognite AS from an external investor. The market value for the unlisted company Aker Horizons AS include the difference between the market value and the book value for Aker Horizons AS' listed investments. In the case of the investment in the listed companies Aker Solutions ASA, Akastor ASA and Ocean Yield ASA, the book value is equal to the market value.

The book value of Financial investments is NOK 5 708 million. Cash represents 5 per cent of the book value of total assets and 23 per cent of Financial investments.

See also Note 6 to the consolidated financial statements for Aker ASA.

Independent auditor's report

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To the board of Aker ASA

Independent Auditor's Report

Report on the Audit of the combined financial statements of Aker ASA and holding companies

Opinion

We have audited the combined financial statements of Aker ASA and holding companies, which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended, a summary of key assumptions used as basis for preparation and other notes.

In our opinion, the accompanying combined financial statements are prepared in accordance with the basis for preparation of the financial reporting defined in the introduction to the combined financial statements and give a true and fair view of the financial position of the Aker ASA and holding companies as at 31 December 2020, and the financial performance for the year then ended.

Without modifying our opinion, we draw attention to the basis for preparation of the financial reporting, defined in the introduction to the combined financial statements, which describes the basis of accounting. As a result, the combined financial statements may not be suitable for any other purpose.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of Aker ASA and holding companies as required by laws and regulations, 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

Aker ASA has prepared financial statements for the year ended 31 December 2020, comprising parent financial statements prepared in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. We have issued a separate auditor's report on the statutory financial statements to the shareholders of Aker ASA dated 24 March 2021.

Responsibilities of The Board of Directors for the Combined Financial Statements

The Board of Directors (management) are responsible for the preparation and fair presentation of the combined financial statements in accordance with the basis for preparation of the financial reporting defined in the introduction of the combined financial statements, and for such internal control as management determines is necessary to enable the preparation of the combined financial statements that are free from material misstatement, whether due to fraud or error.

KPMG

Independent auditor's report - 2020
Aker ASA and holding companies

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

Our objectives are to obtain reasonable assurance about whether the combined 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 combined financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, included International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Aker ASA and holding companies' internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Oslo, 24 March 2021
KPMG AS

Arve Gevoll
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

Board of directors

Kjell Inge Røkke
Chairman

Kjell Inge Røkke (born 1958), Aker ASA's main owner, has been a driving force in the development of Aker since the 1990s. Mr. Røkke launched his business career with the purchase of a 69-foot trawler in the United States in 1982, and gradually built a leading worldwide fisheries business. In 1996, the Røkke controlled company, RGI, purchased enough Aker shares to become Aker's largest shareholder, and later merged RGI with Aker. Mr. Røkke is currently chairman of Aker ASA, The Resource Group TRG AS and TRG Holding AS, as well as director of several companies, including Aker BP, Aker Solutions, Ocean Yield, Aker BioMarine, Aker Energy, Aker Horizons, Aker Offshore Wind, Aize Holding, REV Ocean and Mainstream Renewable Power.

As at 31 December 2020, Mr. Røkke holds 50 673 577 (68.2 per cent) in Aker ASA through his investment company TRG AS and its subsidiaries, and has no stock options. Mr. Røkke is a Norwegian citizen. He has been elected for the period 2020-2022.

Karen Simon
Director

Karen Simon (born 1959) retired as a Vice Chairman, Investment Banking, from JPMorgan in December 2019. Over her 36 years with JPMorgan, she held a number of positions including Global Head of Financial Sponsor Coverage; Co-Head of EMEA Debt Capital Markets and Head of EMEA Oil & Gas coverage. She has extensive corporate finance experience. Ms. Simon is a dual US/UK citizen and has worked in London, New York City and Houston. She serves as the Non-Executive Chairman of Energean plc, listed on the London Stock Exchange, as well as a Director for several nonprofit organizations.

As at 31 December 2020, Ms. Simon holds no shares in Aker ASA, and has no stock options. She is a dual UK and US citizen. She has been elected for the period 2019-2021.

Kristin Krohn Devold
Director

Kristin Krohn Devold (born 1961) was a Member of the Norwegian Parliament for the Conservative Party from 1993 to 2005. She was Minister of Defense from 2001 to 2005. Ms. Krohn Devold is currently the management director of the Norwegian Hospitality Association (NHO Reiseliv) and director of several companies, including Aker ASA, Dark AS and BRABANK ASA. She has an MSc degree from the Norwegian School of economics (NHH) and has a bachelor's degree in sociology from the University of Bergen.

As at 31 December 2020, Ms. Krohn Devold holds no shares in Aker ASA, and has no stock options. Ms. Krohn Devold is a Norwegian citizen. She has been elected for the period 2020-2021.

Atle Tranøy
Director,
Elected by the employees

Atle Tranøy (born 1957) is trained as a pipe fitter and has been an employee of Kværner Stord AS since 1976. Mr. Tranøy has been a fulltime employee representative since 1983. Mr. Tranøy is also the chairperson of the Global Works Council in Aker, and a director of the board of the Norwegian united federation of trade unions, Fellesforbundet.

As at 31 December 2020, Mr. Tranøy holds no shares in Aker ASA, and has no stock options. Mr. Tranøy is a Norwegian citizen. He has been elected for the period 2019–2021.

Tommy Angeltveit
Director,
Elected by the employees

Tommy Angeltveit (born 1965) has worked as a mechanic at the Controls division in Aker Solutions SLS Norway since 2003. Mr. Angeltveit has occupational education as a service electronics engineer. He previously served as an employee representative at the board of Aker Subsea. Mr. Angeltveit is full time employee representative and manager for Industry Energy section 47.

As of 31 December 2020, Mr. Angeltveit holds 500 shares in Aker ASA, and has no stock options. Tommy Angeltveit is a Norwegian citizen. He has been elected for the period 2019-2021.

Arnfinn Stensø
Director,
Elected by the employees

Arnfinn Stensø (born 1957) has been employed by Aker Solutions in Stavanger since 1998. He is educated electrical engineer. Mr. Stensø is member of the negotiating committee in NITO (Norwegian Engineers and technologist organization) and of the liaison committee NITO – NHO.

As at 31 December 2020, Mr. Stensø holds no shares in Aker ASA and has no stock options. Arnfinn Stensø is Norwegian citizen. He has been elected for the period 2019-2021.

Management

Øyvind Eriksen
President and CEO

Øyvind Eriksen (born 1964) joined Aker ASA in January 2009. Mr. Eriksen holds a law degree from the University of Oslo. He joined Norwegian law firm BA-HR in 1990, where he became a partner in 1996 and a director/ chairman in 2003. As a corporate attorney he among other things worked with strategic and operational development, M&A and negotiations. Mr. Eriksen has held several board positions in different industries, including shipping, finance, asset management, offshore drilling, fisheries, media, trade and industry. As CEO Mr. Eriksen is currently chairman of the board in Aker BP ASA, Cognite AS, Aker Capital AS, Aker Horizons AS, C4IR Ocean, and REV Ocean Inc. He is also a director of several companies, including Aker Solutions ASA, Aker Energy AS, Aker Carbon Capture AS, Mainstream Renewable Power, The Resource Group TRG AS, TRG Holding AS, The Norwegian Cancer Society (Kreftforeningen), and a member of World Economic Forum C4IR Global Network Advisory Board.

As at 31 December 2020, Mr. Eriksen holds 219 072 shares in Aker ASA through the company Erøy AS. He has no stock options. Through Erøy AS, Mr. Eriksen also holds 0.20 per cent of the B-shares in TRG Holding AS. Mr. Eriksen is a Norwegian citizen.

Svein Oskar Stoknes
CFO

Svein Oskar Stoknes (born 1970) has been CFO at Aker ASA since August 2019. Prior to this, Stoknes served as CFO at Aker Solutions, where he joined in 2007 and was named CFO in 2014. Previously, Stoknes held a range of senior positions within finance and advisory for organizations like Tandberg, Citigroup and ABB. He graduated from the Norwegian School of Management and has an MBA from Columbia Business School in New York. Stoknes is a director of Akastor ASA and Aker Capital AS.

As at 31 December 2020, Stoknes owns 4 425 shares in Aker ASA and has no stock options. Stoknes is a Norwegian citizen.

Corporate Governance Report

"Aker believes in active ownership. The active ownership provides direction and purpose.

Effective corporate governance provides the foundation for value creation, which in turn is the ultimate goal for Aker ASA (Aker). It is a prerequisite for an industrial investment company to succeed. Corporate governance is therefore a key concern for Aker's board of directors and employees, as well as in the exercise of ownership in Aker's underlying companies.

Aker believes in active ownership. Shareholders with clearly defined strategic goals for the company and who are involved through the boardroom and direct dialogue with company management, promote shareholder value. The active ownership provides direction and purpose.

Aker's main shareholder, TRG Holding AS, is actively involved in Aker through its main owner, Kjell Inge Røkke. Similarly, Aker is closely involved in the monitoring and follow-up of companies in which Aker is the main shareholder. Aker's management model is discussed in the Board of Directors' Report for 2020.

Pursuant to section 3-3b of the Norwegian Accounting Act and the recommendations in the Norwegian Code of Practice for Corporate Governance, most recently revised in the autumn of 2018, the board has reviewed and updated the company's corporate governance principles.

The individual recommendations of the Norwegian Corporate Governance Board (NUES) are discussed below. Aker's principles are largely consistent with the recommendations.

1. Corporate governance

Aker's corporate governance principles are established by the board. The purpose is to ensure a productive division of roles and responsibilities among Aker's owners, board and executive management, as well as to ensure satisfactory controls of the company's activities.

2. Business purpose

Aker ASA's business purpose is expressed in the company's Articles of Association: *"The company's objective is to own and carry out industrial and other associated businesses, capital management and other functions for the group, as well as participation in, or acquisition of, other businesses."*

The board has prepared clear goals, strategies and a risk profile for the company. The company has guidelines for how it integrates the interests of the society at large into its value creation. A separate ESG - Environmental, Social, Governance report is available on the company website. The board evaluates targets, strategies and its risk profile on an annual basis, at a minimum.

3. Share capital and dividend

Share capital

Aker ASA and holding companies had NOK 17 305 million in book equity as of 31 December 2020, corresponding to an equity ratio of 60 per cent. The parent company's book equity amounted to NOK 22 509 million, corresponding to an equity ratio of 77 per cent. Aker considers its capital structure appropriate and adapted to its objectives, strategy and risk profile.

Dividends

Aker's dividend policy is discussed in the shareholder information section of the 2020 annual report, published on the company website. The board's proposal for dividend allocation for 2020 has been guided by Aker's dividend policy and dividend capacity.

Board authorisations

The board's proposals for board power of authority comply with the relevant recommendation in the Norwegian Code of Practice for Corporate Governance. Board power of authority are limited to defined issues and are dealt with as separate agenda items at the annual general meeting. Board authorities remain valid until the next annual general meeting.

4. Equal treatment of shareholders and transactions involving related parties

The company has a single class of shares, and all shares carry equal rights. Aker has developed principles and guidelines for transaction agreements and other agreements not forming part of ordinary operations involving Aker and companies in which Aker has significant ownership interests.

Additional information on transactions with related parties can be found in Note 33 to the 2020 consolidated accounts.

5. Shares and negotiability

There are no restrictions on owning, trading or voting for shares in Aker ASA.

6. Annual general meetings

Meeting notification, registration and participation

Aker encourages all its shareholders to participate in general meetings. Through the general meeting, shareholders exercise the highest authority in the company. The annual general meeting for 2021 will take place on 28 April.

Shareholders unable to attend the general meeting may use electronic voting to vote directly on individual agenda items during the pre-meeting registration period. Shareholders unable to attend a meeting may also vote by proxy. The procedures for electronic voting and the proxy voting instructions are described in the meeting notification and published on the company website.

Meeting chair, voting, etc.

According to Aker ASA's Articles of Association, the general meeting is chaired by the Chairman of the Board, or by an individual appointed by the chairman. In this regard, Aker deviates from the NUES recommendation, which states that the general meeting should be able to elect an independent chairman for the general meeting. In the company's experience, its procedures for the chairmanship and execution of general meetings have proven satisfactory.

Members of the nomination committee and the company's auditor are expected to attend general meetings. The general meeting elects the members of the nomination committee and shareholder-elected board members. The nomination committee focuses on composing a board that works optimally as a team, and on ensuring that board members' experience and qualifications complement each other, and that statutory gender representation requirements are met. The general meeting is therefore requested to vote for a complete set of proposed board members, and shareholders cannot vote in advance for individual candidates. Aker ASA's practice thus differs from the NUES recommendation, which states that the general meeting should be given an opportunity to vote on each individual candidate nominated for an appointment to a company body.

7. Nomination committee

Aker ASA has a nomination committee as required by its articles of association. The nomination committee must comprise at least two members, and each member is normally elected for a two-year period.

The members and chairman of the nomination committee are elected by the company's general meeting, which also determines the remuneration payable to committee members. The current members of the nomination committee are presented in the 2020 annual report.

Instructions for the nomination committee's operations are adopted by the annual general meeting. The primary responsibilities of the nomination committee are to recommend candidates and remuneration for the company's board of directors and nomination committee, and remuneration for members of the audit committee. Shareholders who wish to contact the nomination committee can do so using the following email address: contact@akserasa.com.

Kjell Inge Røkke, chairman and main shareholder of Aker ASA, is also chairman of the nomination committee. This is not compliant with the NUES recommendation, stating that board members who are also members of the company's nomination committee should not "stand as candidates for reappointment to the board". However, it is the company's assessment that the NUES recommendation on this point is based on considerations that are less applicable to a situation where a single shareholder - in Aker ASA's case Røkke himself - controls more than two-thirds of the company's shares and thus already has positive control of the company's general meeting.

8. Board of directors – composition and independence

The company does not have a corporate assembly. Employees' rights to representation and participation in decision-making are safeguarded through extended employee representation on the board of directors in accordance with decision by the publicly appointed Industrial Democracy Board (Bedriftsdemokratinemnda). Pursuant to the company's articles of association, the board comprises between 6 and 12 members, of whom at least one-third are elected by and from among group employees. The nomination committee also recommends a candidate for the position of Board Chairman, who must be approved by the general meeting. The majority of the shareholder-elected board members are independent of the company's executive management and its significant business associates.

Kjell Inge Røkke has personal economic interests as owner of the company's main shareholder, TRG Holding AS. Neither the President and CEO nor any member of the executive management is a member of the Aker ASA board.

The current composition of the board is presented in the 2020 annual report, as are board members' qualifications and expertise.

9. The work of the board of directors

The board of Aker ASA has established board instructions that regulate areas of responsibility, tasks and the division of roles between the board, the board chairman, and the President and CEO.

Guidelines have also been drawn up to ensure that board members and senior employees report to the board if they directly or indirectly have significant interest in agreements entered into by Aker or companies in which Aker has significant ownership interests.

The board carries out an annual self-evaluation.

Aker has an audit committee. The committee's mandate regulates areas of responsibilities, tasks, relations with the external auditor and reporting to the board of directors. The composition of the committee is presented in the 2020 annual report. The board has considered whether Aker ASA should have a compensation committee, but has concluded that it is currently not necessary.

10. Risk management and internal control

Governing principles

The Board of Aker establishes the overall principles for governance and control in Aker ASA through the adoption of various governing documents. For particularly important areas of group-wide relevance, the board ensures that similar governing documents are implemented in the portfolio companies within the framework of Aker's relevant governing documents. For example, Aker's Code of Conduct also expresses Aker's expectations of the portfolio companies' respective codes of conduct. The same applies to important areas such as anti-corruption and supplier conduct.

Aker has established a Compliance Officer function with dual reporting duties to the company's CEO and audit committee. The compliance officer's main task is to ensure that Aker ASA is compliant with relevant laws and regulations, including Aker's internal regulations and guidelines e.g. how Aker ASA integrates the interests of the society at large into its value creation. Aker has chosen a risk-based approach to the Compliance Officer's mandate. Aker ASA's Compliance Officer strives to contribute to effective information and knowledge sharing between the various compliance departments in the group.

In 2019, Aker ASA became a member of the Word Economic Forum's subdivision for anti-corruption, "PACI" (Partnering Against Corruption Initiative). Through this collaboration, Aker ASA has access to the expertise and experience of some of the world's largest and most advanced compliance organisations.

Aker has implemented a whistleblowing channel for reporting of serious matters, such as potential breaches of ethical guidelines and violations of the law. Information about the whistleblowing channel, including contact information, is available on the company website.

Risk management and internal control

The Board carries out an annual risk-based review of the company's portfolio. Prior to the annual risk reporting to the Board, the Audit Committee reviews the reported main risks and relevant risk mitigating measures. The Audit Committee also reviews the company's in-house reporting systems, internal control and overall risk management.

Aker has established a procedure for internal control in financial reporting (ICFR) that has been implemented in all major companies in the Group. The procedure requires annual risk assessment, mapping/implementation of key controls, and processes for monitoring that key controls are performed as intended. The experience so far is that the companies are showing a positive development, and that the ICFR procedure sets a framework for more targeted and consistent work with ICFR.

In connection with the process of preparing Aker's financial statements, clearing meetings are held with the management teams of each operating subsidiary with the main purpose of ensuring the quality of the financial reporting. The clearing meetings focus on significant valuation items, off-balance sheet items, related transactions, new or modified accounting principles, internal control in financial reporting, and special topics in the annual report. External auditors are present at the meetings.

The Audit Committee prepares a preliminary review of the quarterly and annual financial statements, focusing on items involving valuation items and the application of new accounting principles, as well as any material related-party transactions.

11. Board remuneration

Board remuneration reflects the board's responsibilities and expertise, time spent and the complexity of the business. Remuneration does not depend on Aker's financial performance, and there are no option programmes for any of the board members.

The annual general meeting determines board remuneration after considering recommendations by the company's nomination committee. The board members elected by and among the employees and associated companies have reduced their board remuneration at their own initiative, in line with an agreement between employee organisations and Aker. Additional information on remuneration paid to individual board members for 2020 can be found in Note 34 to the 2020 consolidated accounts.

12. Remuneration of executive management

The board has adopted separate guidelines on the remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. The company's guidelines for remuneration to executive management are described in Note 34 to the consolidated accounts and will also be presented to shareholders at the annual general meeting in the form of a supporting document.

The employment contract of the President and CEO has been approved by the board. The remuneration paid to the President and CEO is approved by the board after considering recommendations from the Chairman of the Board.

The President and CEO determines the remuneration payable to key executives in accordance with board guidelines. Aker ASA has no stock option programmes. The remuneration for executive management includes a fixed annual salary, standard employee pension and insurance schemes and a variable pay element.

Aker ASA has a share bonus award programme for employees (excluding the President and CEO). Share awards are subject to specified conditions and goal achievement. This incentive programme for employees is presented in Note 2 to the Aker ASA annual accounts.

Further information on remuneration for 2020 for individual members of Aker's executive management can be found in Note 34 to the consolidated accounts.

Some members of Aker's executive management represent the company's interests as board members of other Aker companies. They do not receive personal remuneration for these board positions.

13. Information and communications

Aker's reporting of financial and other information is based on transparency and equal treatment of stakeholders.

All stock exchange notifications and press releases are published on the company website, www.akerasa.com. Stock exchange notices are also available at www.newsweb.no.

The company organises presentations in connection with its financial reporting. These meetings are generally broadcast directly via the internet (webcast). The company's financial calendar appears in the 2020 annual report and is published on Aker's website.

14. Takeover

Aker does not have separate guidelines on how to respond in the event of a takeover bid. The Norwegian Code of Practice for Corporate Governance recommends the adoption of such guidelines. Through his privately held TRG holding companies, Kjell Inge Røkke controls a total of 68.2 per cent of Aker ASA stock. In view of this, the board has deemed separate takeover guidelines as recommended by the Code to be unnecessary.

15. Auditor

The auditor makes an annual presentation of the auditing plan to the board. Further, the auditor has provided the board with written confirmation that the requirement of independence is met.

The auditor participates in all meetings of the audit committee and in the board meeting that deals with the annual accounts. The auditor reviews, with the board, any material changes in the company's accounting principles and assessments of material accounting estimates. There have been no disagreements between the auditor and management on any material issues.

The auditor reports to the audit committee on his assessment of the internal controls on the financial reporting process. The outcome of this review is presented to the board. The board and the audit committee meet with the auditor without representatives of executive management being present. The audit committee receives a quarterly overview of services rendered by the auditor to the company. The audit committee also approves the fees paid to the auditor for material additional services. The remuneration paid to the auditor in 2020 for both audit and other services is presented in Note 11 to the consolidated accounts. These details are also presented to the annual general meeting.

Photo: Morten Krogvold, Ilja Hendel, Bård Gudim and Aker owned companies.

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