



Aker ASA Q1 2023:

Letter from the President and CEO

Dear fellow shareholders,

We close the first quarter of 2023 with remarkably high activity across the portfolio, both within conventional energy, renewables and other segments. Oil and gas production reached a new record level at 453 mboepd, with industry-leading and record low emissions intensity.

This year marks 50 years since the world's first offshore concrete platform was delivered. Built in Jättåvågen outside Stavanger, the Ekofisk tank could hold one million liters of crude oil and was a symbol of the decades of value creation for Norwegian supplier industry to follow. Furthermore, the tanker was the beginning of a Norwegian track record of constructing facilities in exposed environments. Today, that expertise has never been more critical, both in the global oil and gas sector, as well as the energy industries of the future, including offshore wind.

Few could have predicted what the engineering capabilities behind Ekofisk would contribute to Norway: 4.2 billion barrels of oil from that field alone, with an estimated value of about 2,600 billion Norwegian kroner. For the Norwegian Continental Shelf as a whole, the Norwegian oil and gas industry has contributed NOK 15,700 billion to Norway's GDP since the early 70s, five decades of job creation, and a track record of industrial expertise based on leading engineering capabilities. Both for Norway more broadly and Aker specifically, our industrial foundation has created new opportunities for growth. As a nation, we are exporting more energy per capita than Saudi Arabia. Our offshore wind resources – and the necessary capabilities to develop the said resources – are among the best in the world. As we stand on the cusp of a new industrial era, the skills on which our nation's wealth has been built, as well as our natural resources, provides Aker with a unique competitive edge to build value and jobs for decades to come.

Building on the shoulders of existing capabilities is Aker's DNA. And never has it been more critical. As the energy industry develops new cleaner sources of energy, it will have to couple existing domain expertise with digital solutions and artificial intelligence (AI). AI is a potential game changer that the Aker companies are spending an increasing amount of time and resources to understand. Our focus is two-fold: 1) determine how we can (and should) use AI as a powerful tool to enhance business, 2) identify new business opportunities. Data, software, and automation already play a significant role in our companies, driven especially by partnerships with Cognite and Aize; however, AI exceeds the capabilities of the current efforts – and with enormous economic value. Whether renewable power generation and demand forecasting, grid operation and optimization, management of energy demand and distributed resources, or materials discovery and innovation – AI has a role to play. Our strategy and business opportunities within this area continues to develop, but the underlying assumption is clear: AI and digital technology will be an essential enabler for the energy transition and to meet the challenge and goal of a lower-carbon future.

Global investment in the low-carbon energy transition totaled USD 1.1 trillion in 2022 – a new record and huge acceleration from the year before – as the energy crisis and policy action drove faster deployment of clean energy technologies, according to a report from the research firm BloombergNEF (BNEF). Industry Capital Partners (ICP), Aker's asset management arm under the leadership of Yngve Slyngstad, is diving headfirst into what has been deemed the biggest investment challenge in modern times. To reach Net Zero emissions by 2050, we face an investment challenge of USD 150 trillion, according to BP Statistical Review of World Energy and Rystad Energy, where fundamental energy systems need to be both recalibrated and established. An estimated USD 30 trillion will be required to

shift energy production to renewable primary energy sources; USD 40 trillion to rewire energy distribution systems; USD 60 trillion to transform energy use efficiency with new technology; and USD 20 trillion towards 360-degree management of earth's carbon budget. ICP brings decades of industrial experience in Aker and Norway closer to the capital needed to meet this four-fold challenge, while simultaneously recognizing that the Net Zero transition is a significant energy security challenge – matching energy import and export needs in an increasingly complicated geopolitical landscape.

With Norway, and Aker, as its home base, the ICP asset management structure not only sits close to decades of domain expertise and natural resources, but also leverages the strong position Norway has built as an investor and a world-class model for public-private collaboration. Renewable infrastructure projects will require close collaboration between the public and private sector, and ICP is optimally positioned to identify opportunities to maximize both economic and environmental impact, to use policy as an enabler, consider flexible partnerships, balance risk and return, and approach data as a collaborative tool. ICP is already working closely with companies across the Aker portfolio, including Aker Solutions, Aker Horizons, and Aker Carbon Capture, as well as building relationships with key industrial partners in Norway and abroad.

The ICP structure consists of different fund companies under the parent company, ICP, each targeting different opportunity areas within the Net Zero challenge:

- **Green Energy by ICP (GECP)** will invest in the buildout of renewable energy infrastructure, with a focus on offshore wind projects and adjacent energy infrastructure, by partnering with leading renewable developers on selected projects where GECP can add value through the unique combination of financial capital and industrial expertise. GECP will work to leverage the competency in Aker to identify, develop and manage project portfolios and the 40+ years of experience in delivering structures and solutions for the offshore sector. The GECP team already consists of experts with a track record in renewable investments, asset allocation, asset management, and climate policy. Green Energy is targeting the launch of its first fund in 2023.
- **Green Industry by ICP (GICP)** is an infrastructure fund manager with a mission to decarbonize industry through electrification, conversion to low-emission fuels, and process improvements. Aker has a demonstrated track record across Green Industry's key themes, including through Aker Solutions' electrification projects offshore, the Northern Lights projects, subsea compression deliveries, as well as Aker Carbon Capture which is constructing the world's first full-scale carbon capture facility in Brevik. Green Industry sees several investment opportunities along the entire value chain for carbon capture and storage – from capture to storage and transportation – where Norway is emerging as a storage partner for continental Europe.
- **Atoma Capital by ICP (Atoma)** and **Axis Capital (Axis)** are fund managers that will focus on venture capital investments. Atoma is set up as a pure-play cleantech fund manager with a mission to reduce Greenhouse Gas (GHG) emissions by making Net Zero-enabling technologies for industrial use commercially available. Atoma is focused on the scaling of early-stage industrial technology in Europe. With support from the early-stage venture lab, Clara Venture Labs, Atoma works to create proprietary opportunities through an ecosystem of universities, research institutions, venture capital firms and industrial companies. The Atoma team will be

operationally involved in each of the ventures, using the industrial toolbox in Aker, including deep domain knowledge and insight and proven partnership models, to accelerate scaling. Axis, which is still under development and scheduled to launch in 2024, will target early stage investments in industrial software.

- **Momentic by ICP** (Momentic) is a fund manager primarily focused on listed equities, also in the pre-IPO segment, and is still under development.

Like other companies in Aker's portfolio, ICP is exposed to current market volatilities, which may impact progress, including investment opportunities and fundraising. Overall, the company plays a key role in Aker's approach to the energy transition. This includes finding ways to collaborate across the portfolio to bring capital and industry closer together, leveraging excellent industrial partnerships, utilizing decades of leading engineering and project execution expertise, and using our network and agility to identify and seize new business opportunities.

Activity is high across Aker's portfolio, with a strong project pipeline and record high oil and gas production. This is not reflected in the quarterly Net Asset Value, which declined nearly 10.8 percent in the period. The result is largely due to realized liquid prices declining nearly 9 percent and natural gas prices being down 34 percent, negatively impacting Aker BP's value contribution. Looking ahead, Aker's active ownership priorities in 2023 are on executing on growth projects – especially in Aker BP – while simultaneously driving progress towards sustainable energy production through predictable project execution, strong partnerships, and deployment of innovative digital solutions.

Onwards.

Øyvind Eriksen