



THIRD QUARTER RESULTS

2020

# Highlights

## Key figures - Aker ASA and holding companies

- The Net Asset Value ("NAV") of Aker ASA and holding companies ("Aker") ended at NOK 31.0 billion at the end of the third quarter, down from NOK 34.3 billion at the end of the second quarter 2020. The per-share NAV amounted to NOK 417 as per 30 September 2020, compared to NOK 461 as per 30 June 2020. Aker paid a cash dividend of NOK 11.75 per share in the third quarter, based on the 2019 annual accounts.
- The Aker share increased by 18 per cent (adjusted for dividend) in the third quarter to NOK 402.80. This compares to an 8 per cent increase in the Oslo Stock Exchange's benchmark index ("OSEBX").
- Aker's Industrial Holdings portfolio decreased by NOK 1.9 billion in the third quarter to NOK 36.2 billion. The value of Aker's Financial Investments portfolio stood at NOK 5.9 billion at the end of the third quarter, compared to NOK 7.5 billion as per 30 June 2020.
- Aker's liquidity reserve, including undrawn credit facilities, stood at NOK 5.4 billion as per 30 September 2020. Cash amounted to NOK 2.4 billion, down from NOK 2.9 billion as per 30 June 2020.
- The value-adjusted equity ratio was 73 per cent as per the end of the third quarter. This compares to 75 per cent as of 30 June 2020, prior to dividend allocation for the second quarter.

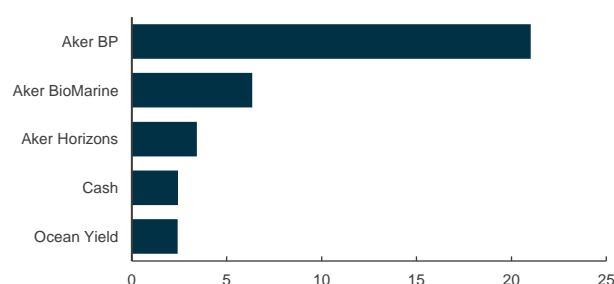
## Key events

- Aker Solutions announced a merger with Kvaerner to create an optimized supplier company and spun off its carbon capture and offshore wind businesses into separate entities, Aker Carbon Capture (ACC) and Aker Offshore Wind (AOW). ACC and AOW were listed on Merkur Market following successful private placements of approx. NOK 500 million in each.
- Aker Horizons was established as a wholly owned holding company dedicated to drive value creation within renewables and green technologies. Aker Horizons will own 51 per cent in ACC and AOW, respectively, which forms the basis for the company's portfolio. Aker Horizons is also exploring additional opportunities, including within onshore wind and hydrogen.
- Aker Solutions sold all shares in subsidiary software company ix3 to Aize, a new Aker company established to digitalise the EPC value chain in capital-intensive projects, for NOK 222 million. Aize also entered into an agreement to acquire a smaller software portfolio from Kvaerner for around NOK 48 million.
- Aker BioMarine executed a private placement of USD 225 million and was admitted to trading on Merkur Market. Aker owns 78 per cent of the shares in the company after the listing.
- Aker BP issued USD 1.3 billion in new long-dated bonds at attractive terms and initiated an early redemption of the USD 400 million Senior Notes due in 2022. This has further strengthened Aker BP's liquidity, extended its maturity profile, and reduced average interest rate on the company's debt.
- Akastor assumed full ownership of DOF Deepwater AS following debt restructuring securing DOF Deepwater's continued operations.
- After quarter end, Cognite entered a partnership with global venture capital firm Accel, gaining access to expertise and experience from the software industry to scale and commercialize its products and accelerate global growth. Accel will become a minority shareholder through a Series A investment round for a post-money valuation of USD 550 million.
- After quarter end, Aker Solutions won the subsea production system contract for the Tommeliten Alpha by ConocoPhillips with an estimated value of NOK 1.2 billion. On the same development, it was also awarded a FEED contract for topside modification worth NOK 130 million incl. an EPCI option.

## Main contributors to gross asset value

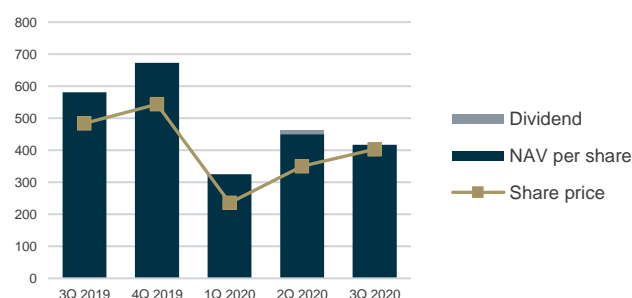
(NOK billion)

Representing 84 per cent of total gross asset value of NOK 42.2 billion



## Net asset value and share price

(NOK per share)



The balance sheet and income statement for Aker ASA and holding companies (Aker) have been prepared to show the financial position as a holding company. Net asset value (NAV) is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Gross asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. Net asset value is gross asset value less liabilities.

## Letter from the CEO

Dear fellow shareholders,

**If the pace of the pre-corona world was fast, time has become nothing short of a luxury in 2020. Accelerating global trajectories have certainly impacted our own transition and made the third quarter a period of high activity to unlock shareholder value and position Aker for future growth. While we have a number of new rising stars in our portfolio, Aker's approach to value creation remains unchanged. Our DNA still rests on innovation and transition, partly through transactions and partly by building new companies on the shoulders of existing capabilities.**

In the third quarter, Aker's return to shareholders was 18 per cent, included dividend paid, compared to an 8 per cent increase in the benchmark index. In the same period, Aker's Net Asset Value ended at NOK 31.0 billion (NOK 417 per share), compared to NOK 34.3 billion at the end of the second quarter. As announced in July, the industrial portfolio underwent a significant transformation with the merger between Aker Solutions and Kvaerner, the offshore wind and carbon capture businesses being spun off into separate, listed entities, and the establishment of Aker Horizons.

Looking back, 2020 has seemingly provided as glimpse into a future world – one in which oil producers are under increasing pressure to operate at the lowest cost possible and exposed to even more volatile market fluctuations; renewables and green technologies hold an even bigger portion of the energy mix; digital solutions are an integral part of every aspect of our lives and businesses; and, where human health is increasingly personalized and digitalized. At Aker, the actions taken the last few months have positioned us with growth platforms in all these trajectories.

### Low cost, low carbon

The global energy sector is facing a predicament. On the one hand, demand for energy is rising, led especially by emerging markets. Global population is expected to grow by 1.7 billion by 2040 and increasing resources are required for billions to have a path out of poverty. On the other hand, the world is facing an urgent climate crisis largely due to ever-higher amounts of energy-related emissions. While there is an ongoing and rapidly increasing transition towards cleaner, renewable, and low-carbon energy sources, the rate is still too slow to reach the 1.5-degree goal set out by the Paris agreement.

Oil and gas are expected to lose market share to other forms of energy, yet consumption is expected to grow over the next decade. Even the International Energy Agency's scenarios, with ambitious decarbonization forecasts, show an ongoing, long-term role for oil and gas. Projected to account for more than 50 per cent of the global energy mix in 2040, significant investments will still be needed in oil and gas for years to come. To bridge this with a world in a climate crisis – and to prepare ourselves for high oil price volatility – we need to ensure global oil production has the lowest cost and lowest emissions possible.

At Aker, we are tackling this dual task head on. Oil and gas-related industries still make up the majority of our industrial holdings – but we are simultaneously pivoting to diversify our portfolio and protect long-term shareholder value. This endeavour is largely made possible by the upstream cash from Aker BP, which we believe will continue for years to come. The reason is that Aker BP is a well-funded E&P company with a future-oriented strategy focused on producing smarter, more efficiently and more sustainably. And “the proof is in the pudding.” Aker BP has emissions less than 5 kg CO<sub>2</sub> per barrel of oil – compared to 18

kg per barrel on average globally – low cost of approximately 7 USD per barrel, an investment grade rating, and is increasingly deploying digital technologies to improve efficiency. With NOK 1.3 billion contributed to Aker so far this year, Aker BP enables us to seize opportunities that further secures its position as a high-quality producer, as well as to future-proof our portfolio well beyond peak oil.

### Aker is part of the solution

During the third quarter, Aker made a step change into renewable energy and green technologies by establishing Aker Horizons and, in parallel, bringing values in Aker Solutions into light by spinning off Aker Offshore Wind and Aker Carbon Capture to us and other shareholders. The diversification marks an acceleration of our long-term strategy to diversify our portfolio. In fact, we have been building this competency and industrial expertise for a long time. The shift lies in that the timing is right for more dedicated capital and resource allocation to these new segments in our portfolio. Renewables and green industries are seeing the opposite trend of oil and gas. Cost of capital is going down, and with plummeting cost levels that rapidly improve competitiveness, investors see huge opportunities for value creation.

Aker Horizons is set up as a platform to build companies that can meaningfully reduce greenhouse gas emissions providing value creation over time. Its mission is to drive accelerated decarbonization, develop industrialized solutions and create attractive financial returns. Aker Carbon Capture and Aker Offshore Wind form the basis for Aker Horizons' portfolio of industrial companies. At time of writing, the two companies have seen an increase of 440 percent and nearly 200 per cent, respectively, since their listing on Merkur Market in August.

In addition to the established portfolio within offshore wind and carbon capture, Aker Horizons is committed to pursuing value-creating opportunities in other renewable energy segments, including onshore wind and hydrogen. The Aker Group has decades of experience with different technical aspects of the hydrogen value chain and Aker Horizons is exploring opportunities to both develop complete facilities for production and storage, as well as to make equity investments in different businesses and facilities.

### The time for industrial digitalization is now

The asset-heavy industry is undoubtedly facing profound complexities. In addition to pressure from governments and society to operate at lower cost and lower emissions, we witness less predictability, shifting geopolitical tides, volatile prices, and increasing pressure of cyber security. Industrial digitalization is one of the few means to contend with these shifts. And the time is now. Not only does digitalization represent a 4 trillion US dollar annual value potential for asset-heavy industries alone, according to McKinsey, but as I look back on 2020, with its challenges and uncertainties, I see that new winners and losers are about to be crystallized based on how companies are making digitalization and automation a strategic tool for improvement and growth. Capturing this value potential has, therefore, never been more important. Using data to make better decisions today and predictive analysis to better anticipate the future.

Yet, industrial digitalization remains a great white whale for many - enormous, elusive, and anxiously hunted. One reason is that these industries battle extraordinary inertia and other barriers to change that impede digital transformation. Data remains locked in separate systems

and sensors, triggering inefficiencies, cost, and waste in different parts of the value chain. Cognite addresses this challenge. Its Cognite Data Fusion technology, or CDF, has been tackling an extremely complex task – even for the most brilliant programmers and data scientists – on how to break down silos, liberate operational data from all relevant sources, and enable smart applications to improve operations in a range of industries.

In just four years, Cognite has assembled a world-class team that has worked feverishly to create, test, and verify the CDF technology. The company has had expeditious growth and is today attracting leading global customers and rapidly expanding into new geographies and industries. The timing was right to bring in a partner that can help scale and further commercialize Cognite's industrial software platform. At the end of October, we were pleased to announce a partnership with Accel, a leading global venture capital firm with deep domain experience and expertise in building world class software companies. Accel will become minority shareholder in Cognite through a Series A round investment according to conditions to be cleared by Accel and Cognite jointly. The investment round, which puts Cognite's post-money valuation at USD 550 million, marks the first round of external growth financing for the company. Accel's insight and expertise in scaling best-in-class software companies globally marries perfectly with Aker's deep industrial knowledge. We look forward to working together to further scale and commercialize Cognite's industrial software platform for the global market.

**Transition and innovation**

As the smoke of 2020 clears, business opportunities have risen like a phoenix from the ashes. The Oslo Stock Exchange has had a record number of listings and the capital markets report on an extraordinary deal flow. In June, Aker Solutions was quick to seize the opportunity to maintain capacity and competency of vital importance to the oil and gas industry, as well as enable a transition into new business segments following the temporary tax changes implemented in June. Its shareholders have not only seen strong returns on the shares in the spin-off companies, but the merger with Kvaerner forms an optimized supplier company well-positioned in both the oil and gas industry, as well as in an accelerated energy transition.

As part of Aker Solutions' shift to a pure-play supplier role, a subsequent strategic decision was made to sell its own software house, ix3, to Aize, a new Aker software company established to leverage the ix3 competency and experience in digitalizing capital-intensive projects in the EPC value chain. Aize will specialize on app development for asset-intensive industries using Cognite's CDF technology – not unlike how specialized user applications are developed on top Apple's iOS in the app store, or how Google has liberated data for apps like Uber. Using CDF, Aize software applications will work to integrate and manage information related to field development and enable seamless exchange of data through the value chain and lifecycle of fields. It's still early days for Aize, but ix3's around 90 employees have already hit the ground running as part of the new company.

**Committed to krill**

The increase in the global population is not just putting the energy industry under pressure. COVID-19 has put health systems around the world at their limits, and the glimpse into a future world also shows a planet with vulnerable populations due to poverty, food scarcity and lifestyle diseases. Population growth and economic progress –

especially in emerging markets – translates to increased demand for food and diversified diets. The UN projects that food production will need to increase by 70 percent in the world and by 100 per cent in the developing countries, yet both land and water resources are finite and under heavy stress. Not unlike the predicament of the energy industry, we simply need to do more while simultaneously reducing our impact.

Aker BioMarine is an innovator in this regard. The company was created based on a strong belief in the positive effects of krill. Today, more than a decade later, Aker BioMarine is the world leader in krill harvesting and processing with a strong focus on transparency from ocean to end-customer. Using machine learning, technology for fishery management and efficient operational set-ups, Aker BioMarine has minimized its environmental impact and its Antarctic krill fishery is among most sustainable fisheries in the world. At the same time, Aker BioMarine combats lifestyle diseases with its Superba Krill omega-3, supplying over 1.5 billion doses worldwide. The aquaculture products from Aker BioMarine make fish and shrimp farming more efficient, directly contributing to 318 million extra servings of fish last year. Its own consumer brand, Kori, was successfully launched this summer and is now on the shelves of major US retailers across the country.

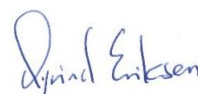
Aker BioMarine also took a big step during the quarter with its listing on Merkur Market. Aker has all along considered Aker BioMarine as a positive value trigger in the industrial portfolio and believe the company has a strong basis for profitable and sustainable long-term growth. Aker BioMarine is today the second largest contributor to Aker's NAV and represents an important diversification of our portfolio within a fast-growing market. While a few challenges, including difficult ice conditions that reduced harvesting, had a negative impact on the quarter, we remain committed as an active owner, working with the company to create value, attractiveness and new opportunities.

**180 years of industrial pioneering**

Next year, it will be 180 years since Aker was established as a mechanical workshop in Oslo. We have come a long way, but even today, with a diversified portfolio positioned within energy, industrial digitalization, marine biotech, renewable industries and more, our DNA remains the same. Aker's history is defined by innovation and transition, seizing opportunities and building new companies on the shoulders of existing capabilities.

As we are getting close to rounding off the unprecedented year, it is no doubt that businesses, society, and health systems around the world have been put at their limits. The year's events have also been a big catalyst in rapid - and likely permanent - adoption of digital technologies that have been deployed to address everything from outbreak tracing to telemedicine to smarter and more efficient industrial operations. And while 2020 may prove itself to be the year that triggered an entire world's transition, Aker is deploying the same energy and ambitions that have been with us for decades and that now position us for value creation for decades ahead.

Take care.



Øyvind Eriksen  
President and CEO

## Aker ASA and holding companies

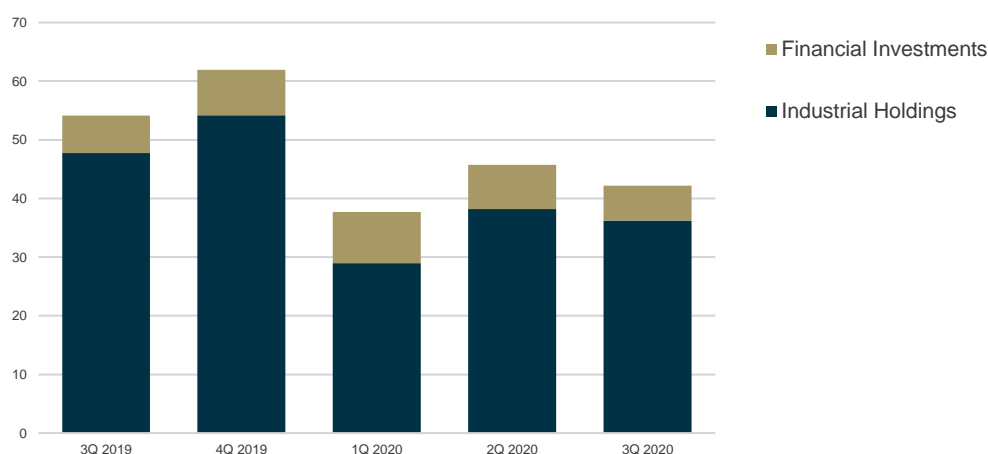
### Assets and net assets value

#### Net asset value (NAV) composition - Aker ASA and holding companies

	31.12.2019		30.06.2020		30.09.2020	
	NOK/share	NOK million	NOK/share	NOK million	NOK/share	NOK million
Industrial Holdings	730	54 200	514	38 181	488	36 242
Financial Investments	104	7 733	101	7 534	80	5 921
<b>Gross assets</b>	<b>834</b>	<b>61 934</b>	<b>616</b>	<b>45 715</b>	<b>568</b>	<b>42 163</b>
External Interest-bearing debt	(157)	(11 629)	(147)	(10 942)	(146)	(10 840)
Non interest-bearing debt (before dividend allocation)	(4)	(330)	(7)	(507)	(5)	(338)
<b>NAV (before dividend allocation)</b>	<b>673</b>	<b>49 974</b>	<b>461</b>	<b>34 266</b>	<b>417</b>	<b>30 985</b>
Net interest-bearing assets/(liabilities)		(6 701)		(6 425)		(7 511)
Number of shares outstanding (million)		74.278		74.263		74.273

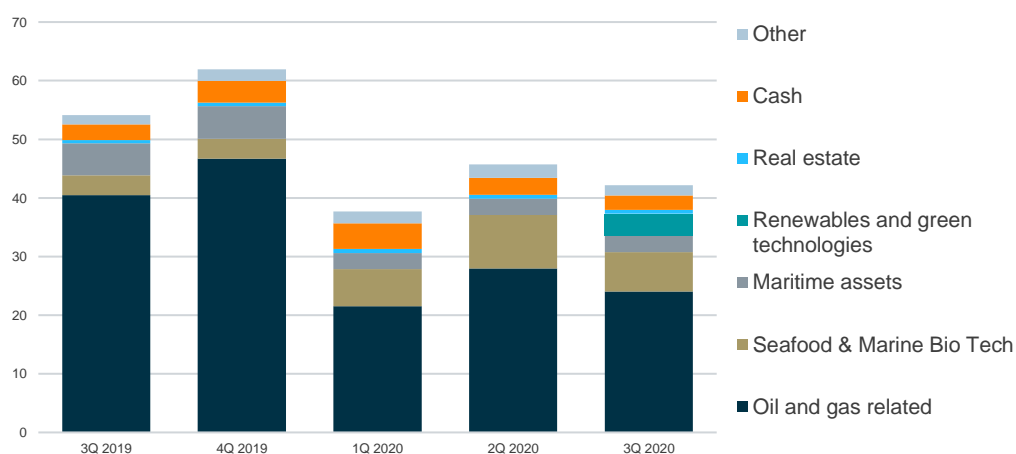
#### Gross assets by segment

(NOK billion)



#### Gross assets per sector

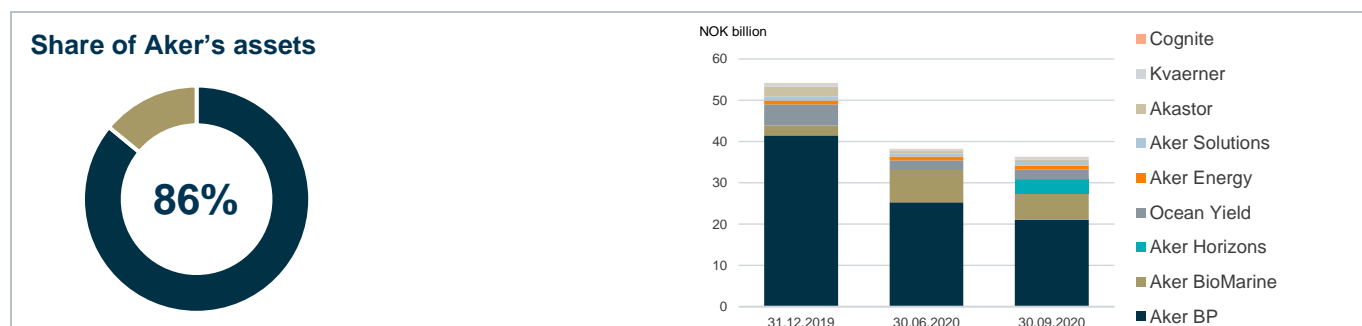
(NOK billion)



Net asset value ("NAV") is a core performance indicator at Aker ASA. NAV expresses Aker's underlying value and is a key determinant of the company's dividend policy (annual dividend payments of 2-4 per cent of NAV). Net asset value is determined by applying the market value of exchange-listed shares, while book value is used for other assets. Aker's assets (Aker ASA and holding companies) consist largely of equity investments in the Industrial Holdings segment, and of cash, receivables and other equity investments in the Financial Investments segment. Other assets consist mainly of intangible and tangible fixed assets. The charts above show the composition of Aker's assets. The business segments are discussed in greater detail on the following pages.

## Aker – Segment information

### Industrial Holdings



Amounts in NOK million	Ownership in %	31.12.2019		30.06.2020		3Q 2020			30.09.2020
		Value	Value	Net investments	Dividend income	Other changes	Value change	Value	
Aker BP	40.0	41 486	25 252	-	(256)	-	(3 979)	21 017	
Aker BioMarine	77.8	2 363	7 840	53	-	-	(1 557)	6 336	
Aker Horizons**	100.0	-	-	772	-	300	2 347	3 419	
Ocean Yield	61.7	5 187	2 340	-	(49)	-	125	2 415	
Aker Energy*	50.8	925	957	-	-	-	-	957	
Aker Solutions	34.8	2 338	792	-	(55)	(245)	384	876	
Akastor	36.7	1 000	483	-	-	-	121	603	
Kvaerner	28.7	859	477	-	-	-	99	575	
Cognite*	64.0	42	42	-	-	-	-	42	
<b>Total Industrial Holdings</b>		<b>54 200</b>	<b>38 181</b>	<b>826</b>	<b>(360)</b>	<b>55</b>	<b>(2 460)</b>	<b>36 242</b>	

\*At book value

\*\*Book value adjusted for fair values of listed investments in the Aker Horizons portfolio (Aker Offshore Wind and Aker Carbon Capture)

The total value of Aker's Industrial Holdings decreased by NOK 1.9 billion in the third quarter to NOK 36.2 billion. The decrease is mainly explained by value reductions of the Aker BP and Aker BioMarine investments, partly offset by value increases following the establishment of Aker Horizons and the listing on Merkur Market of its portfolio companies Aker Carbon Capture and Aker Offshore Wind which were spun-off from Aker Solutions in August.

Aker received NOK 256 million in cash dividend from Aker BP and NOK 49 million in cash dividend from Ocean Yield in the quarter. Aker also posted a non-cash dividend income of NOK 55 million in the quarter, explained by the dividend-in-kind, in the form of shares in Aker Carbon Capture and Aker Offshore Wind, received on Aker's direct investment in Aker Solutions. In addition, Aker's share of the dividend-in-kind distributed to Aker Kværner Holding was NOK 245 million reflected in the table above as "other changes".

### Aker BP

Amounts in USD million	3Q19	3Q20	YTD 19	YTD 20
Revenue	723	684	2 344	2 146
EBITDAX	550	543	1 762	1 637
EBITDAX margin (%)	76.1	79.4	75.1	76.3
Net profit continued operations	(43)	80	30	(85)
Closing share price (NOK/share)	243.40	145.90	243.40	145.90
Shareholder return, incl. dividend (%)	1.4	(15.8)	17.9	(46.1)

Aker BP is a fully-fledged E&P company operating on the Norwegian Continental Shelf ("NCS") with a business model built on safe

operations, lean principles, technological competences and industrial cooperation to secure long-term competitiveness.

Aker BP's net production in the third quarter was 201.6 (209.8) thousand barrels of oil equivalents per day (mboepd), down 4 per cent from the previous quarter due to planned maintenance, drilling operations and project activities at several fields. The company maintains its full-year production estimate of 205-220 mboepd.

Total income for the third quarter amounted to USD 684 million. The average realised liquids price was USD 42.7 per boe, while production cost was USD 7.3 per boe. The company has updated its guidance to approximately USD 8 per boe on average for the full year, representing a reduction of about 20 per cent compared to the original guidance at the Capital Markets Day in February of this year.

Profit before taxes amounted to USD 191 million, compared to profit before taxes of USD 151 million in the second quarter. Tax expense was USD 111 million, compared to a tax credit of USD 19 million in the previous quarter. The company reported a net profit of USD 80 million for the third quarter, compared to 170 million in the second quarter.

During the third quarter, the company issued USD 1.3 billion in new long-dated bonds at attractive terms and initiated an early redemption of the USD 400 million Senior Notes due in 2022. This has further strengthened Aker BP's liquidity, extended its maturity profile, and reduced the average interest rate on the company's debt.



Following the temporary changes in the Petroleum Tax Law enacted in June 2020, the tax value of any losses incurred in 2020 and 2021 can be refunded from the state. During the third quarter, Aker BP received tax instalments of USD 109 million.

In August, the company disbursed dividends of USD 70.8 million, equivalent to USD 0.1967 per share. So far in 2020, USD 354.2 million in dividends have been distributed. The Board has resolved to pay a quarterly dividend of USD 70.8 million (USD 0.1967 per share) in November 2020, implying total dividend payments of USD 425 million for the full year.

## Ocean Yield

<i>Amounts in USD million</i>	3Q19	3Q20	YTD 19	YTD 20
Revenue	62	<b>57</b>	179	<b>208</b>
EBITDA	57	<b>52</b>	163	<b>195</b>
EBITDA margin (%)	91.7	<b>91.4</b>	91.0	<b>93.5</b>
Net profit continued operations	11	<b>(7)</b>	41	<b>14</b>
Closing share price (NOK/share)	51.20	<b>22.35</b>	51.20	<b>22.35</b>
Shareholder return, incl. dividend (%)	(7.6)	<b>5.3</b>	(5.1)	<b>(47.7)</b>

Ocean Yield is a ship-owning company with a mandate to build a diversified portfolio of modern vessels within various shipping segments. The company targets fixed, long-term bareboat charters to creditworthy counterparties.

At the end of the third quarter, Ocean Yield had a modern, diversified fleet of 68 vessels with an average age of 4.3 years across 17 clients. In July, Ocean Yield took delivery of the newcastlemax dry bulk vessel Mineral Qingdao, which commenced a bareboat charter to CMB NV. In addition, the vessel Navig8 Amessi was redelivered to Navig8 Chemical Tankers Ltd. following the exercise of a five-year purchase option announced earlier in 2020.

In September, the company sold its 75 per cent equity in the joint venture owning the diving support and construction vessel SBM Installer to SBM Holding Inc S.A. Furthermore, the company repurchased NOK 300 million of the outstanding NOK 750 million bond OCY04 with settlement in October 2020.

During the quarter, Ocean Yield recorded impairments of USD 95 million related to the FPSO Dhirubai-1 and USD 35 million related to the offshore construction and cable-lay vessel Connector on the back of a delayed recovery within the oil service segment following the COVID-19 pandemic and a lower oil price. The company continues to evaluate employment opportunities for the FPSO.

Ocean Yield declared USD 5.15 cents per share in dividend for the quarter, which constitutes the 29<sup>th</sup> consecutive quarterly dividend paid by the company. Ocean Yield reported an EBITDA of USD 52 million for the third quarter, with an average remaining contract duration (weighted by EBITDA) of 10.1 years.

## Aker Solutions

<i>Amounts in NOK million</i>	3Q19	3Q20	YTD 19	YTD 20
Revenue	7 134	<b>5 501</b>	21 915	<b>17 372</b>
EBITDA	553	<b>938</b>	1 810	<b>1 319</b>
EBITDA margin (%)	7.8	<b>17.1</b>	8.3	<b>7.6</b>
Net profit continued operations	93	<b>199</b>	231	<b>(702)</b>
Closing share price (NOK/share)	24.58	<b>9.27</b>	24.58	<b>9.27</b>
Shareholder return, incl. dividend (%)	(29.5)	<b>48.6</b>	(38.0)	<b>(49.7)</b>

Aker Solutions ("AKSO") targets to maximise recovery and efficiency

of oil and gas assets, while using its expertise to develop sustainable solutions for the future.

In the third quarter, AKSO delivered revenues of NOK 5.5 billion and an EBITDA of NOK 938 million, and an order intake of NOK 7.1 billion. At the end of the quarter, the backlog stood at NOK 29.2 billion, compared with NOK 27.4 billion a year ago.

Temporary measures to boost industrial activity in Norway were introduced in June and led to an increase in sanctioning activity, which continued into the third quarter. In July, the company was awarded a five-year contract extension from ExxonMobile for the Hebron Platform in Canada with an estimated contract value of NOK 1.4 billion.

As announced on 17 July, AKSO launched a series of structural and strategic changes to transform the company and enhance shareholder value, including a merger with Kvaerner to create an optimised supplier company, and spinning off its carbon capture and offshore wind businesses into separate entities, Aker Carbon Capture and Aker Offshore Wind, which were listed on Merkur Market with the first day of trading on 26 August. Shareholders in AKSO received one share in Aker Carbon Capture and Aker Offshore Wind, respectively, per share in AKSO, as dividend-in-kind.

The merger with Kvaerner was approved by an EGM in AKSO on 25 September, and the first day of trading for the merged entity is expected to be on or about 11 November. AKSO will absorb all assets, rights and obligations of Kvaerner and Kvaerner will be dissolved. AKSO will issue 0.8183 consideration shares for each share in Kvaerner before the completion of the merger.

As part of the ongoing strategic changes in AKSO, the company during the quarter sold its subsidiary software company, ix3 AS ("ix3") to Aize Holding AS ("Aize"), a newly established software company owned by Aker, for NOK 222 million. AKSO will lease back parts of the software applications and expertise through a partnership agreement with Aize to ensure continued access to the developed software, however, the transaction still represents significant cost savings for AKSO. The transaction affected about 90 ix3 employees and encompasses all software owned by AKSO, including the Concept, Engineering, Construction and Operational Insight portfolios, as well as a range of smaller software products. The transaction was treated as a related-party transaction with a price confirmed by independent fair value estimates by third parties.

In September, the company was awarded a three-year extension to the existing framework agreement with ConocoPhillips for their operated fields in the North Sea, with an estimated annual contract value of NOK 300-700 million. After quarter end, AKSO also won the contract for the subsea production system for the Tommeliten Alpha development in Norway by ConocoPhillips, with an estimated contract value of NOK 1.2 billion. This was AKSO's first ever subsea systems award with ConocoPhillips. In addition, on the same development, AKSO was awarded a FEED contract for topside modification worth NOK 130 million, which includes an EPCI option.

The company was awarded NOK 500 million in additional scope for the subsea production system on the Bredablikk development in the North Sea by Equinor. The total scope awarded to AKSO on Bredablikk during Q2 and Q3 is NOK 2.5 billion for up to 23 subsea trees and 4 subsea templates with manifolds.

## Akastor

Amounts in NOK million	3Q19	3Q20	YTD 19	YTD 20
Revenue	1 430	<b>926</b>	3 804	<b>3 604</b>
EBITDA	133	<b>66</b>	339	<b>274</b>
EBITDA margin (%)	9.3	<b>7.1</b>	8.9	<b>7.6</b>
Net profit continued operations	(8)	<b>(65)</b>	15	<b>(339)</b>
Closing share price (NOK/share)	10.84	<b>6.00</b>	10.84	<b>6.00</b>
Shareholder return, incl. dividend (%)	(6.9)	<b>25.0</b>	(17.0)	<b>(39.6)</b>

Akastor is an oil-services investment company with a portfolio of industrial and financial holdings. The company has a flexible mandate for active ownership and long-term value creation.

In the third quarter, Akastor delivered revenues of NOK 926 million and an EBITDA of NOK 66 million compared to NOK 1.3 billion in revenues and NOK 70 million in EBTDA the previous quarter. At the end of the quarter, the net debt (before leasing) was NOK 1.5 billion, on par with the second quarter.

NES Global Talent ("NES") in which Akastor holds an economic interest, announced on 22 August that it has entered into an agreement to combine its business with the Fircroft Group ("Fircroft"). The transaction represents a strategic alignment to create one of the leading human capital solutions for engineering and technical talent globally. The combined entity has been named NES Fircroft. Akastor CEO, Karl Erik Kjelstad, will continue as Board Member for the new NES Fircroft board. Akastor's economic interest in NES Fircroft post transaction will be around 15 per cent.

As announced 27 August, Akastor assumed full ownership of a restructured DOF Deepwater AS, a company jointly controlled by Akastor and DOF ASA which has been part of Akastor's legacy portfolio since the demerger from Aker Solutions in 2014. Final agreements were entered into on 12 October, and hence the company will be consolidated into Akastor Group as a subsidiary from Q4 2020. As part the transaction, the company has changed its name to DDW Offshore AS.

## Kvaerner

Amounts in NOK million	3Q19	3Q20	YTD 19	YTD 20
Revenue	2 450	<b>1 795</b>	6 445	<b>5 397</b>
EBITDA	138	<b>156</b>	399	<b>190</b>
EBITDA margin (%)	5.6	<b>8.7</b>	6.2	<b>3.5</b>
Net profit continued operations	72	<b>105</b>	201	<b>68</b>
Closing share price (NOK/share)	11.65	<b>7.45</b>	11.65	<b>7.45</b>
Shareholder return, incl. dividend (%)	(15.0)	<b>20.7</b>	4.9	<b>(33.0)</b>

Kvaerner is an Engineering, Procurement and Construction ("EPC") company focusing on oil, gas and renewables.

In the third quarter, Kvaerner delivered revenues of NOK 1.8 billion and an EBITDA of NOK 156 million. The company's backlog stood at NOK 9.0 billion as per end of the quarter, which is an increase of NOK 0.7 billion compared to the same period last year.

The order intake in the past quarter includes revised scope in existing contracts, as well as some new contracts of moderate size, including a contract for upgrading the Kollsnes onshore gas facility.

The announced merger between Kvaerner and Aker Solutions was approved by an EGM in Kvaerner on 25 September, and the first day of trading for the merged entity is expected on or about 11 November.

## Aker BioMarine

Amounts in USD million	3Q19	3Q20	YTD 19	YTD 20
Revenue	69	<b>70</b>	174	<b>213</b>
EBITDA	21	<b>22</b>	40	<b>46</b>
EBITDA margin (%)	30.7	<b>31.1</b>	23.1	<b>21.4</b>
Net profit continued operations	1	<b>2</b>	(6)	<b>(8)</b>
Closing share price (NOK/share)	N/A	<b>93.0</b>	N/A	<b>93.0</b>
Shareholder return, incl. dividend (%)	N/A	<b>N/A</b>	N/A	<b>N/A</b>

Aker BioMarine is an integrated biotechnology company that supplies krill-derived ingredients to the consumer health, fish feed and animal nutrition markets.

Aker BioMarine consist of two primary segments: Ingredients and Brands. In the Ingredients segment, the company owns and controls the entire value chain from the krill harvesting fleet operating in the Antarctic, logistics operations in Montevideo (Uruguay) and a krill oil factory in Houston (USA). Growth will come through the increased harvesting capacity by Antarctic Endurance enabling increased Krill sale and a shift to higher margin products, such as Superba.

In the Brands segment, the company is expected to grow revenues by further developing existing products, but also new verticals like the human protein consumer market, where krill-derived protein has significant benefits over current protein sources, and the launch of their own consumer brand, Kori, in the US. The Kori brand has been rolled out to major US retailer, Costco, during the third quarter.

In the third quarter, total revenue was USD 70 million and Adjusted EBITDA (excluding special operating items) was USD 27 million, corresponding to a margin of 38% per cent. Special operating items in the quarter include Oslo Børs listing costs of USD 1.1 million, sales gain from Juvel of USD 0.4 million and Kori launch costs of USD 4.3 million. Revenue distribution in the quarter was 66% on Ingredients and 33% on Brands. One year ago, the distribution was 71% and 29%, respectively.

The company increased the Adjusted EBITDA by 53% from last quarter as lower krill harvesting volumes were balanced out by strong and structural improvements in other parts of the business. The onshore operations in Houston had a solid performance and the implemented efficiency measures reduced cost across the company.

The company was listed on Merkur Market in early July 2020 and prepares for a listing on the main list at Oslo Børs in the first quarter 2021. Aker maintains the positive outlook for the company's development, core deliveries and markets.

## Aker Energy

Amounts in USD million	3Q19	3Q20	YTD 19	YTD 20
Revenue	2	<b>1</b>	4	<b>5</b>
EBITDA	(27)	<b>(5)</b>	(99)	<b>(24)</b>
EBITDA margin (%)	N/A	<b>N/A</b>	N/A	<b>N/A</b>
Net profit continued operations	(32)	<b>(10)</b>	(106)	<b>(41)</b>

Aker Energy is an E&P company aiming to become an offshore oil and gas operator in Ghana.

After the initial postponement due to COVID-19, the strategy has shifted from a centralised FPSO approach to a phased development to develop the resources in its contract area.

Aker Energy continues to mature this development solution where the intent is to substantially reduce the CAPEX and breakeven cost of the



project. Operational costs have also been cut through rightsizing of the organization. These efforts will enable the company to proceed in a lower and more uncertain oil price environment.

## Cognite

Amounts in NOK million	3Q19	3Q20	YTD 19	YTD 20
Revenue	90	<b>97</b>	234	<b>327</b>
EBITDA	(13)	<b>(85)</b>	(23)	<b>(152)</b>
EBITDA margin (%)	(14.3)	<b>(88.2)</b>	(9.8)	<b>(46.5)</b>
Net profit continued operations	(13)	<b>(93)</b>	(24)	<b>(163)</b>

Cognite is a fast-growing industrial software company enabling companies in the oil & gas, power & utilities, and manufacturing sectors, as well as other asset-intensive verticals, to advance their digital transformation.

Cognite reported NOK 97 million in revenues in the third quarter, compared to NOK 90 million in the same period last year, supported by a fast-growing customer base. The company has incurred significant project costs that have been expensed pending final outcome of award.

The company secured several new commercial engagements with some of the world's leading industrial companies in the quarter. The company continues to expand its international presence through offices in Tokyo and Texas and both offices secured additional customer engagements with large industrial companies in the quarter. These international milestones will enable Cognite to scale and establish itself as a leading software provider for digitalization of asset-intensive industries.

The Cognite organisation continues to grow fast, expanding by another 60 employees during the quarter. At quarter-end, the company had 381 employees, compared with 253 employees a year ago.

The company continues to progress commercial discussions with new customers, including Saudi Aramco, following the 2019 announcement to explore ways of deploying Cognite's technology at Aramco facilities both in Saudi Arabia and internationally. The progress also continues for the establishment of a joint venture to enable the digital transformation of industry at large in the Kingdom of Saudi Arabia.

After quarter end, Cognite entered a partnership with Accel, a leading global venture capital firm with deep domain experience and expertise in building world class software companies. Accel will become minority shareholder in Cognite through a Series A round investment according to conditions to be cleared by Accel and Cognite jointly. The investment round raises Cognite's valuation to USD 550 million and marks the first round of external growth financing for the company. As part of the agreement, Accel is gaining a seat on Cognite's Board of Directors. The parties will work together to accelerate Cognite's growth initiatives, including expanding its go-to-market strategy and product development. Cognite will be able to leverage Accel's long history of being the first partner in iconic companies, including Facebook, Slack, Dropbox, Atlassian and UiPath.

## Aker Horizons

Aker Horizons, established during the quarter as a wholly owned entity of Aker, is an investment company with a portfolio focused on renewable energy and low-carbon technologies. The company has a flexible mandate to engage in active ownership to build and develop leading companies in fast-growing industries, accelerate decarbonization, develop industrialized solutions and create attractive financial returns.

Aker Offshore Wind and Aker Carbon Capture, both spun off from Aker Solutions during the quarter and listed on the Oslo Stock Exchange-operated Merkur Market, form the basis of Aker Horizons' portfolio of industrial companies.

### Aker Offshore Wind

Amounts in NOK million	3Q19	3Q20	YTD 19	YTD 20
Revenue	N/A	-	N/A	-
EBITDA	N/A	<b>(16)</b>	N/A	<b>(16)</b>
EBITDA margin (%)	N/A	<b>N/A</b>	N/A	<b>N/A</b>
Net profit continued operations	N/A	<b>(15)</b>	N/A	<b>(15)</b>
Closing share price (NOK/share)	N/A	<b>5.06</b>	N/A	<b>5.06</b>
Shareholder return, incl. dividend (%)	N/A	<b>N/A</b>	N/A	<b>N/A</b>

Aker Offshore Wind is an offshore wind developer with focus on assets in deep waters. With global operations, the current portfolio consists of development projects and prospects located in Asia, North America, and Europe. Offshore wind power is on the path to become a major part of the world's energy mix in the future. Fixed bottom offshore wind is already an established energy source in many markets. Introducing floating wind parks opens access to superior wind conditions while minimizing the environmental footprint.

### Aker Carbon Capture

Amounts in NOK million	3Q19	3Q20	YTD 19	YTD 20
Revenue	N/A	<b>6</b>	N/A	<b>6</b>
EBITDA	N/A	<b>(13)</b>	N/A	<b>(13)</b>
EBITDA margin (%)	N/A	<b>N/A</b>	N/A	<b>N/A</b>
Net profit continued operations	N/A	<b>(12)</b>	N/A	<b>(12)</b>
Closing share price (NOK/share)	N/A	<b>5.95</b>	N/A	<b>5.95</b>
Shareholder return, incl. dividend (%)	N/A	<b>N/A</b>	N/A	<b>N/A</b>

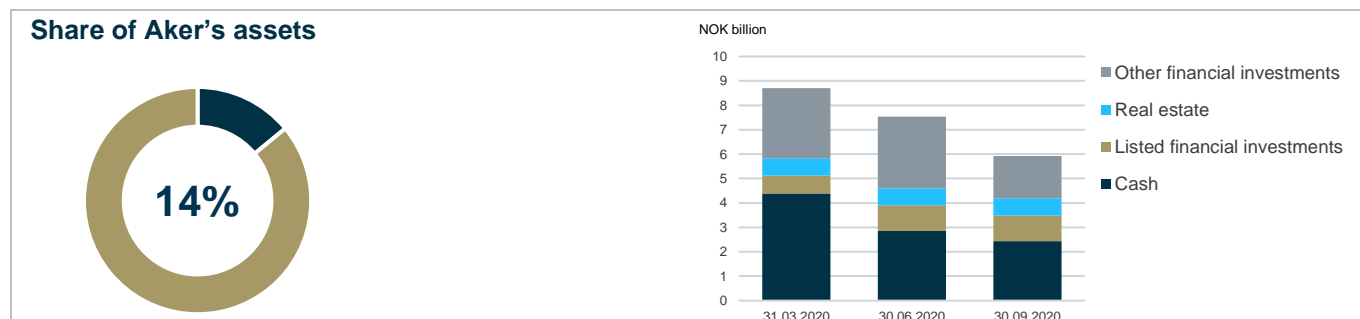
Aker Carbon Capture is a dedicated carbon capture technology provider that offers a reliable, field-proven, and HSE-friendly way of removing emissions from industrial sources. Aker Carbon Capture was founded on more than 20 years of experience developing carbon capture technologies as part of the Aker group. The company has a growing market potential, as an increasing number of companies look for ways to manage CO<sub>2</sub> emissions.

Each portfolio company works to optimize value individually, with separate management teams and boards, but with strong support from Aker Horizons to ensure activities are optimized across the entire value chains and to capitalize on internal expertise in the broader Aker group.

Aker Horizons is currently exploring additional opportunities to build its industrial portfolio, including within onshore wind and hydrogen.

## Aker – Segment information

### Financial Investments



	31.12.2019		30.06.2020		30.09.2020	
	NOK/share <sup>1)</sup>	NOK million	NOK/share <sup>1)</sup>	NOK million	NOK/share <sup>1)</sup>	NOK million
Cash	50	3 715	39	2 861	33	2 435
Listed financial investments	12	917	14	1 038	14	1 053
Real estate	8	603	9	703	9	703
Other financial investments	34	2 498	39	2 932	23	1 730
<b>Total Financial Investments</b>	<b>104</b>	<b>7 733</b>	<b>101</b>	<b>7 534</b>	<b>80</b>	<b>5 921</b>

<sup>1)</sup>The investment's contribution to Aker's per-share NAV.

Financial Investments comprise Aker's cash, listed financial investments, real estate investments and other financial investments. The value of Aker's financial investments amounted to NOK 5.9 billion as of 30 September 2020, down from NOK 7.5 billion as per 30 June 2020.

Aker's **Cash holding** stood at NOK 2.4 billion at the end of the third quarter, down from NOK 2.9 billion three months earlier. The primary cash inflows in the third quarter were repayments of receivables from Aker BioMarine of NOK 1.1 billion in total, NOK 324 million in received dividends, and proceeds from sale of an airplane of NOK 175 million. The primary cash outflows were the dividend payment of NOK 873 million, NOK 772 million invested in Aker Horizons, increased loans to portfolio companies of NOK 172 million, and NOK 163 million in net interest paid and operating expenses.

The value of **Listed financial investments** stood at NOK 1 053 million as of 30 September 2020, compared to NOK 1 038 million as of 30 June 2020. The increase is mainly explained by value increase

of the REC Silicon and American Shipping Company investments, partly offset by a value reduction of the Philly Shipyard investment.

In the quarter, Aker's **Real estate holdings** changed name from FP Eiendom to Aker Property Group. The value of the investment stood at NOK 703 million, unchanged from the prior quarter. The value of Aker's current real estate holdings mainly reflects a 37.55 per cent ownership in the residential real estate developer FP Bolig, in addition to other commercial properties and land areas at Fornebu and in Aberdeen, hotel developments, and a portfolio of late-stage residential projects in Norway.

**Other financial investments** amounted to NOK 1.7 billion at the end of the third quarter, down from NOK 2.9 billion as of 30 June 2020. The reduction is mainly explained by repayments of receivables from Aker BioMarine and the sale of an airplane. Other financial investments consist of equity investments, receivables, and other assets.

## Aker ASA and holding companies

### Combined balance sheet

<i>Amounts in NOK million, after dividend allocation</i>	31.12.2019	30.06.2020	30.09.2020
Intangible, fixed and non interest-bearing assets	1 025	1 071	636
Interest-bearing assets	1 213	1 657	894
Investments <sup>1)</sup>	20 681	20 325	22 455
Non interest-bearing short-term receivables	39	44	40
Cash	3 715	2 861	2 435
<b>Assets</b>	<b>26 674</b>	<b>25 958</b>	<b>26 460</b>
Equity	14 714	13 636	15 282
Non interest-bearing debt	330	1 380	338
External interest-bearing debt	11 629	10 942	10 840
<b>Equity and liabilities</b>	<b>26 674</b>	<b>25 958</b>	<b>26 460</b>
Net interest-bearing assets/(liabilities)	(6 701)	(6 425)	(7 511)
Equity ratio (%)	55	53	58

<sup>1)</sup>Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting principles (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value and cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently, gains from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2019 annual report.

The total book value of assets was NOK 26.5 billion at the end of the third quarter 2020, up from NOK 26.0 billion at the end of the second quarter.

**Intangible, fixed and non-interest bearing assets** stood at NOK 636 million, compared with NOK 1 071 million at the end of the second quarter. The reduction is mainly explained by the sale of an airplane and repayments of non-interest bearing receivables from Aker BioMarine.

**Interest-bearing assets** stood at NOK 894 million at 30 September, down from 1.7 billion at 30 June. The reduction is mainly explained by repayments of receivables from Aker BioMarine partly offset by loans issued to portfolio companies.

**Investments** increased to NOK 22.5 billion in the third quarter compared to NOK 20.3 billion as per the end of the second quarter. The increase is mainly explained the establishment of Aker Horizons. This includes the spin-off from Aker Solutions and listing on Merkur Market of Aker Carbon Capture and Aker Offshore Wind, and the participation in the equity issues in the said companies. In addition, share price increases for Aker Solutions, Akastor, Kvaerner and Ocean Yield led to reversed write-downs for the direct and indirect investments in those companies.

**Non interest-bearing short-term receivables** stood at NOK 40 million at 30 September 2020.

Aker's **Cash** stood at NOK 2.4 billion at the end of the third quarter, down from NOK 2.9 billion as per 30 June 2020.

**Equity** stood at NOK 15.3 billion at the end of the third quarter, compared to NOK 13.6 billion at the end of the second quarter. The

increase in the third quarter is explained by the profit before tax of NOK 1.6 billion in the quarter.

**Non interest-bearing debt** stood at NOK 338 million at the end of the third quarter, compared to NOK 1 380 million as per 30 June 2020. The decrease is mainly explained by the payment of NOK 873 million in dividend during the quarter, foreign exchange effects and positive value changes to the AMSC TRS agreements.

**External interest-bearing debt** stood at NOK 10.8 billion at the end of the third quarter, down from NOK 10.9 billion at the end of the second quarter 2020 due to foreign exchange effects. As per the end of the third quarter, Aker had NOK 4.5 billion in outstanding bond loans, NOK 4.3 billion in USD denominated bank loans, NOK 1.0 billion in NOK denominated bank loans, and NOK 1.1 billion in the EUR denominated Schuldschein loan.

<i>Amounts in NOK million</i>	31.12.2019	30.06.2020	30.09.2020
AKER09	1 000	1 000	1 000
AKER10	583	-	-
AKER13	768	-	-
AKER14	2 000	2 000	2 000
AKER15	1 500	1 500	1 500
Capitalised loan fees	(29)	(24)	(22)
<b>Total bond loans</b>	<b>5 822</b>	<b>4 476</b>	<b>4 478</b>
USD 450m bank loan	3 951	4 385	4 267
USD 100m bank loan	878	-	-
NOK 2bn bank loan / RCF	-	1 000	1 000
EUR 100m Schuldschein loan	986	1 091	1 110
Capitalised loan fees	(8)	(10)	(14)
<b>Total bank loans</b>	<b>5 808</b>	<b>6 466</b>	<b>6 363</b>
<b>Total interest-bearing debt</b>	<b>11 629</b>	<b>10 942</b>	<b>10 840</b>

## Aker ASA and holding companies

### Combined income statement

Amounts in NOK million	3Q 2019	2Q 2020	3Q 2020	YTD3Q 2019	YTD3Q 2020	Year 2019
Operating expenses	(67)	(79)	(49)	(202)	(190)	(267)
<b>EBITDA</b>	(67)	(79)	(49)	(202)	(190)	(267)
Depreciation	(6)	(8)	(8)	(17)	(24)	(25)
Value change	(233)	191	1 249	(372)	763	(435)
Net other financial items	410	754	451	2 038	906	2 886
<b>Profit/(loss) before tax</b>	104	858	1 643	1 448	1 455	2 159

Aker ASA and holding companies prepares and presents its accounts in accordance with the Norwegian Accounting Act and generally accepted accounting principles (GAAP), to the extent applicable. Accordingly, exchange-listed shares owned by Aker ASA and holding companies are recorded in the balance sheet at the lower of market value and cost price. In accordance with Aker ASA and holding companies' accounting principles, acquisitions and disposals of companies are a part of the ordinary business. Consequently, gains from sales of shares are classified as operating revenues in the combined profit and loss statement of the accounts. Gains and losses are only recognised to the extent assets are sold to third parties. Aker's accounting principles are presented in the company's 2019 annual report.

The income statement for Aker ASA and holding companies shows a profit before tax of NOK 1.6 billion for the third quarter 2020. This compares to a profit before tax of NOK 858 million in the second quarter 2020. As in previous periods, the income statement is mainly affected by value changes in share investments and dividends received.

**Operating expenses** in the third quarter were NOK 49 million compared to NOK 79 million in the prior quarter.

**Value change** in the third quarter was positive NOK 1.2 billion mainly reflecting effects of the spin-offs from Aker Solutions and listing on Merkur Market of Aker Carbon Capture and Aker Offshore Wind, as well as reversed write-downs for the direct and indirect investments in Aker Solutions, Akastor, Kvaerner and Ocean Yield.

**Net other financial items** in the third quarter amounted to positive NOK 451 million, compared to positive NOK 754 million in the second quarter. Net other financial items are primarily impacted by dividends received, net interest expenses and by foreign exchange adjustments. Aker posted a dividend income of NOK 387 million in the third quarter, compared to NOK 361 million in the prior quarter.

### The Aker Share

The company's share price increased to NOK 402.80 at the end of the third quarter 2020 from NOK 350.40 three months earlier. The company had a market capitalisation of NOK 29.9 billion as per 30 September 2020. As per 30 September 2020, the total number of shares in Aker ASA amounted to 74 321 862 and the number of outstanding shares was 74 272 761. As per the same date, Aker held 49 101 own shares.

## Risks

Aker and each portfolio company are exposed to various forms of market, operational and financial risks. Rather than diversifying risk by spreading investments across many different industries, Aker focuses on sectors where the company has special expertise. The company 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.

The main risk factors to which Aker and its holding companies are exposed relate to changes in the value of listed assets as a result of 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 and its portfolio companies are also exposed to the risk of insufficient access to external financing which may affect the liquidity situation in the companies. This has been further emphasised by the increased attention on ESG issues, especially climate-related investment risk. 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.

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 and pandemics 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, Akastor and Kvaerner. The activity level affects the supplier companies' and Ocean Yield's counterparties, and the companies are therefore monitoring counterparty risk closely.

Aker's risk management, risks and uncertainties are described in the Annual Report for 2019.

## Key events after the balance sheet date

After the close of the third quarter 2020, the following key events occurred:

- Cognite entered a partnership with global venture capital firm Accel, gaining access to expertise and experience from the software industry to scale and commercialize its products and accelerate global growth. Accel will become a minority shareholder through a Series A investment round for a post-money valuation of USD 550 million.
- Ocean Yield acquired two suezmax newbuilding tankers with 10-year bareboat charters for a net purchase price up to USD 44

million per vessel after seller's credits of min. 20 per cent. Vessels are scheduled for delivery during H1 2022.

## Outlook

Investments in listed shares comprised 86 per cent of the company's assets as per 30 September 2020. About 57 per cent of Aker's investments were associated with the oil and gas sector. The remaining value is mainly found in the marine industry through Aker BioMarine and in renewables and green technology through Aker Horizons investments in Aker Carbon Capture and Aker Offshore Wind. The growth for the latter segment is expected to increase going forward. The International Energy Agency predicts demand for other renewables, mainly solar and wind power, to grow by more than 300 per cent by 2040 in the Stated Policies Scenario and by close to 700 per cent in the Sustainable Development Scenario. This is a development that needs to take place in order reach the stated climate goals of limiting the increase in global temperatures. With the portfolio diversification, Aker's Net Asset Value will be influenced by several factors, including fluctuations in market prices, commodity prices, regulatory decisions for emerging energy markets and low-carbon solutions, feed-in tariffs, exchange rates and operational performance.

After the oil price shock of 2014-2016, global oil and gas investments were significantly reduced, leading to lower revenues for the oil service sector, which had already built too much spare capacity. In recent years, the global spending in the oil industry has been gradually increasing. ESG trends and fear of peak oil demand in the future have, however, contributed to a muted growth in investments from disciplined oil producers prioritising share buybacks and dividends at the expense of investments in new oil production, much due to pressure from investors. The muted spending on oil projects took a turn for the worse due to COVID-19 outbreak, as the virus led to record low oil prices and fear about future oil demand. Spending continues to be muted and oil producers are likely to be even more disciplined with their investment programs in the coming 12-18 months. This poses a challenge for oil service companies, as order intake may be muted for a period and, thus, necessitates scaling back capacity and protecting balance sheets.

At the same time, cost-cutting measures and increased operational efficiency across the industry have brought down break-even costs for offshore projects. The over-capacity in the service sector is therefore a benefit for the upstream sector, creating improved cash flows for E&P companies at a lower oil price than before.

Aker expects oil demand to gradually recover after the negative effects from COVID-19 on the industry and remains positive about the attractiveness of oil and gas investments. Aker will therefore continue to evaluate strategic alternatives and opportunities in the sector. Future oil demand growth is expected to be supported by the still ongoing mega trends of population growth, a growing middle class and urbanisation, particularly in Asia. Oil supply growth is likely to be kept in check by OPEC policy, inadequate E&P spending and tightened financial conditions in the US shale industry. It is important to emphasize that two-thirds of the new fields that have been brought online during the past ten years have been necessary to counter field decline in aging fields, while only one-third has covered demand growth. Another mega trend that is likely to support oil prices for the coming years is the rising cost of capital for the industry at large. The increased cost of capital is influenced by rising focus on ESG principles by both lenders and investors, in addition to the scepticism to the industry created by the Corona virus. The increased focus on



ESG principles may result in lower supply growth than demand growth going forward, hence supporting market prices. Price volatility is expected to remain high also in coming years, but Aker is well positioned to benefit from such a development through its good access to liquidity.

Aker's portfolio companies in the oil and gas sector will continue to increase competitiveness through increased productivity, efficiency, standardisation, improved technology offerings, and by exploring strategic partnerships and alliances. Aker's strong balance sheet

enables the company to face unforeseen operational challenges and short-term market fluctuations, as well as to seize value-accretive investment opportunities. As an industrial investment company, Aker will use its resources and competence to promote and support the development of the companies in its portfolio.

Fornebu, 4 November 2020  
Board of Directors and President and CEO

## Aker ASA and holding companies: Net Asset Value

<i>Reported values in NOK million</i>	Number of shares per 30.09.2020	Ownership capital per 30.09.2020	Share of total assets per 30.09.2020	Reported values per 30.09.2020	Reported values per 30.06.2020	Reported values per 31.12.2019
<b>Industrial Holdings</b>						
Aker BP	144 049 005	40.0%	49.8%	21 017	25 252	41 486
Aker Solutions	94 565 293 <sup>1)</sup>	34.8% <sup>1)</sup>	2.1%	876	792	2 338
Akastor	100 565 293 <sup>1)</sup>	36.7% <sup>1)</sup>	1.4%	603	483	1 000
Kvaerner	77 233 531 <sup>1)</sup>	28.7% <sup>1)</sup>	1.4%	575	477	859
Ocean Yield	108 066 832	61.7%	5.7%	2 415	2 340	5 187
Aker BioMarine	68 132 830 <sup>2)</sup>	77.8%	15.0%	6 336	7 840	2 363
Aker Energy	63 633 423	50.8%	2.3%	957	957	925
Aker Horizons	3 000	100.0%	8.1%	3 419	-	-
Cognite	6 791 780	64.0%	0.1%	42	42	42
<b>Total Industrial Holdings</b>			<b>86.0%</b>	<b>36 242</b>	<b>38 181</b>	<b>54 200</b>
<b>Financial Investments</b>						
Cash			5.8%	2 435	2 861	3 715
FP Eiendom			1.7%	703	703	603
Listed financial investments			2.5%	1 053	1 038	917
<i>American Shipping Company (direct investment)<sup>3)</sup></i>	11 557 022	19.1%	0.8%	333	296	380
<i>Philly Shipyard</i>	7 237 631	57.6%	1.1%	443	528	309
<i>Solstad Offshore</i>	58 496 302	20.1%	0.1%	29	31	57
<i>REC Silicon</i>	64 217 774	22.9%	0.6%	248	182	172
Receivables			1.7%	699	1 462	1 118
<i>Aker BioMarine</i>			0.0%	-	875	648
<i>Estremar Invest</i>			0.8%	345	366	349
<i>Other receivables</i>			0.8%	354	221	120
Other financial investments			2.4%	1 031	1 470	1 380
<b>Total Financial Investments</b>			<b>14.0%</b>	<b>5 921</b>	<b>7 534</b>	<b>7 733</b>
<b>Gross Asset Value</b>			<b>100.0%</b>	<b>42 163</b>	<b>45 715</b>	<b>61 934</b>
External interest-bearing debt				(10 840)	(10 942)	(11 629)
Non interest-bearing debt				(338)	(507)	(330)
<b>Net Asset Value (before allocated dividend)</b>				<b>30 985</b>	<b>34 266</b>	<b>49 974</b>
Number of outstanding shares				74 272 761	74 262 761	74 278 199
<b>Net Asset Value per share before allocated dividend)</b>				<b>417</b>	<b>461</b>	<b>673</b>

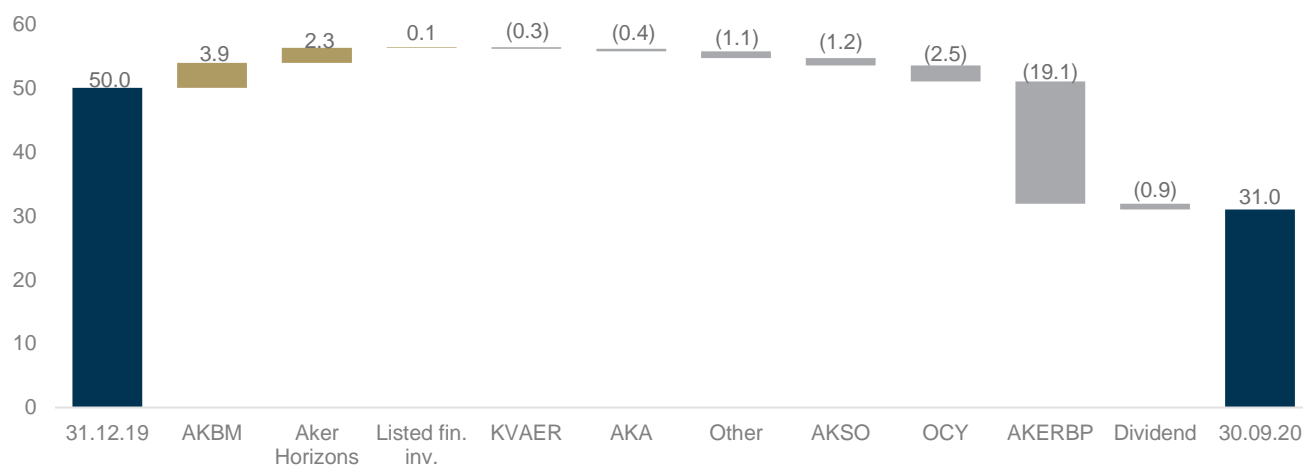
1) Partly owned through Aker Kvaerner Holding AS, in which Aker ASA has a 70% ownership interest. Additionally, Aker ASA has direct ownership interest in Aker Solutions ASA and Akastor ASA.

2) Ownership at 17 July 2020 is 78 per cent, subsequent to the private placement and listing completed in July.

3) Aker ASA holds direct exposure to 11 557 022 shares in American Shipping Company ASA, equivalent to 19.07% of the shares and votes of the company, and financial exposure to 18 687 620 underlying shares through two total return swap agreements, equivalent to 30.83% of the share capital in the company. As per 30 September 2020, the value of the swap agreements was negative by NOK 108 million.

## Aker ASA and holding companies: Net Asset Value contribution YTD 2020

NOK billion



## Financial calendar 2021

17 February	4Q 2020 Report
30 March	Annual Report 2020
7 May	1Q 2021 Report
16 July	2Q 2021 Report
5 November	3Q 2021 Report

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## Ticker codes:

AKER.NO in Bloomberg  
AKER.OL in Reuters

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## 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** is operating profit before depreciation, amortisation and impairment charges.
- **EBITDA margin** is EBITDA divided by revenue.
- **EBITDAX** is operating profit before depreciation, amortisation, impairment charges and exploration expenses.
- **Equity ratio** is total equity divided by total assets.
- **Gross asset value** is the sum of all assets, determined by applying the market value of exchange-listed shares, while book value is used for other assets.
- **Kboed** is thousand barrels of oil equivalents per day.
- **Mmboe** is million barrels of oil equivalents.
- **Net Asset Value** ("NAV") is gross asset value less liabilities.
- **NAV per share** is NAV divided by the total number of outstanding Aker ASA shares.
- **Net interest-bearing receivable/debt** is cash, cash equivalents and interest-bearing receivables (current and non-current), minus interest-bearing debt (current and non-current).
- **Order intake** includes new signed contracts in the period, in addition to expansion of existing contracts. The estimated value of potential options and change orders is not included.
- **Order backlog** represents the estimated value of remaining work on signed contracts.
- **Value-adjusted equity ratio** is NAV divided by gross asset value.