AKER HORIZONS

Annual and Sustainability Report 2022

Introduction

This annual report for Aker Horizons ASA (referred to herein as "Aker Horizons" or "the Company", and together with its consolidated subsidiaries as the "Group") is an integrated report presenting the financial, environmental, social, and governance (ESG) performance of Aker Horizons and its portfolio companies in 2022. The Company's' external auditor has submitted an independent auditor's report on the financial statements.

This section provides a brief overview of how to navigate the report. The first sections of the report contain an introduction to Aker Horizons, Shareholder Information, the Board of Directors' Report and a presentation of Aker Horizons' Board of Directors.

The Sustainability Strategy section introduces Aker Horizons' work on sustainability from a strategic, forward-looking perspective. Specifically, the section presents Aker Horizons' policy, ambitions and strategy, external commitments that reflect our sustainability ambitions, and the materiality assessment that guides and informs Aker Horizons' strategy and goals.

The section Sustainability Progress Report takes a deep-dive into the work and the progress made on sustainability in Aker Horizons and its portfolio in 2022. This section presents four overarching topics, based on the World Economic Forum's (WEF) Stakeholder Capitalism Metrics: Planet-positive impact, Respect for people, Prosperity for all and Good governance, while also reflecting on Aker Horizons' material topics. In addition to presenting progress across these four main topics, this section also contains individual sustainability summaries for the Aker Horizons Group companies, a one-page summary of the portfolio-wide status of the Principal Adverse Impact Indicators, and an EU Taxonomy assessment of Aker Horizons' investments.

The section Financials and Notes presents Aker Horizons' consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), and associated interpretations, as well as Aker Horizons ASA parent company accounts (NGAAP). The section is followed by the independent Auditor's Report, which confirms that Aker Horizons' financial statements comply with applicable statutory requirements and give a true and fair view of the Company and the Group's financial positions. The Alternative Performance Measures section gives the definition of the measures Aker Horizons' refers to in the report, which come in addition to those required by the IFRS.

The Corporate Governance Report presents Aker Horizons' corporate governance principles and practices in accordance with the requirements in the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance.

The Remuneration Report has been prepared in accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act and describes the principles for and the actual remuneration paid to the executives in Aker Horizons in 2022.

The final section, Transparent Reporting, gives further details on key aspects of this integrated report, including frameworks utilized, accounting principles, definitions, and guidance to reading the company sustainability summaries.

Aker Horizons' Annual and sustainability report for 2022 is available on Aker Horizons' website.

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Aker Horizons in Brief

Aker Horizons is dedicated to developing green energy and green industry to accelerate the transition to net zero emissions. The Company's aim is to reduce greenhouse gas emissions and promote sustainable living, while providing substantial value creation over time through active ownership. Aker Horizons is indirectly majority-owned by Aker ASA, a Norwegian industrial holding company listed on the Oslo Stock Exchange, through its subsidiary Aker Capital AS (Aker ASA or Aker).

Aker's heritage

As part of the Aker group and its over 180-year industrial heritage, Aker Horizons combines in-depth industrial and capital markets expertise with a planet-positive purpose, which uniquely positions us to generate attractive returns from green investments. Aker's industrial and technological expertise enables us to be a driving force in the race to net zero emissions, and accelerate decarbonization and innovation.

Accelerating Net Zero

We know there is no silver bullet solution for reaching net zero emissions by 2050. It will require pulling every emissions reduction lever the world has at its disposal. The composition of Aker Horizons' portfolio reflects the solutions needed to decarbonize the world at scale. Our core areas consist of renewable energy, carbon capture and hydrogen. We develop industrial-scale decarbonization projects, taking an integrated value chain approach centered around clean hydrogen and its derivatives.

Sustainability

Sustainability underpins all our actions. Based on key international frameworks, our Sustainability Policy guides our environmental, social and governance (ESG) performance, shapes strategy, business development, investments and ambitions. It sets out specific commitments and requirements in relation to our planet-positive impact, respect for planet and people, good governance and prosperity for all. It also defines how Aker Horizons exerts active ownership and sets expectations for its portfolio companies, their supply chains and other relevant stakeholders. Our Sustainable Policy drives our long-term value-creation and ensures our planet-positive impact.

Active ownership

As an active owner, Aker Horizons develops and strengthens its portfolio companies by driving strategy developments, financing, restructuring and transactions, to ensure long-term sustainable value creation for all stakeholders. All our actions, across the Company and our portfolio, are underpinned by ESG considerations and strong commitments to sustainable development. With the UN Sustainable Development Goals (SDG) and other international standards and frameworks at the core of our business, Aker Horizons is scaling future-fit solutions and technologies, contributing to sustainable development and driving a green transition.

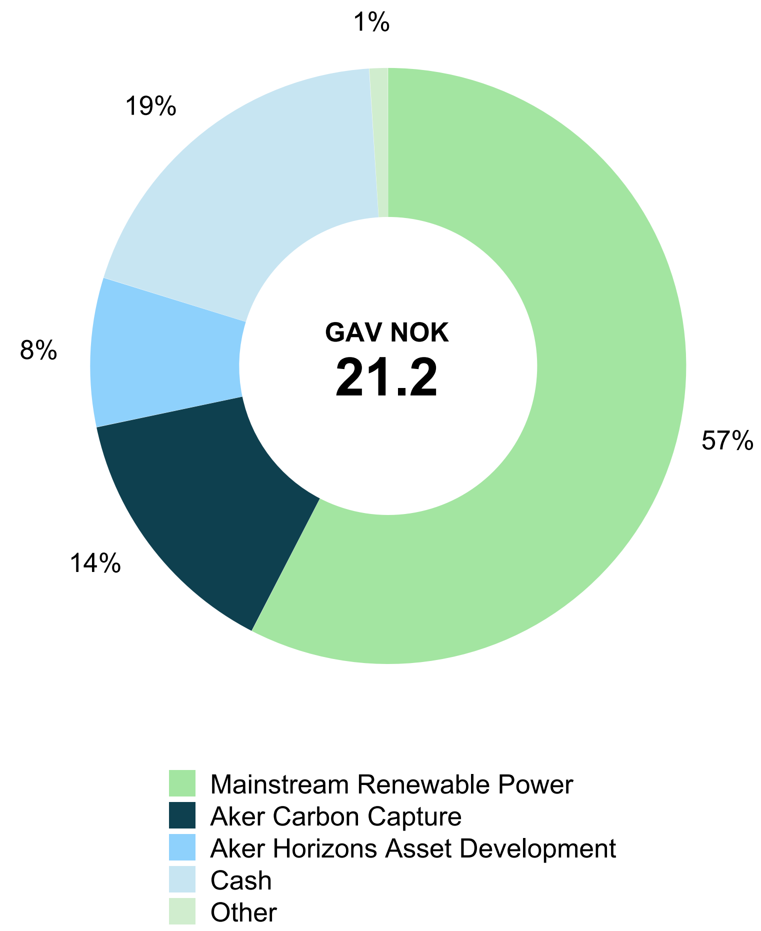
Total Net Asset Value

NOK million, 31 December 2022

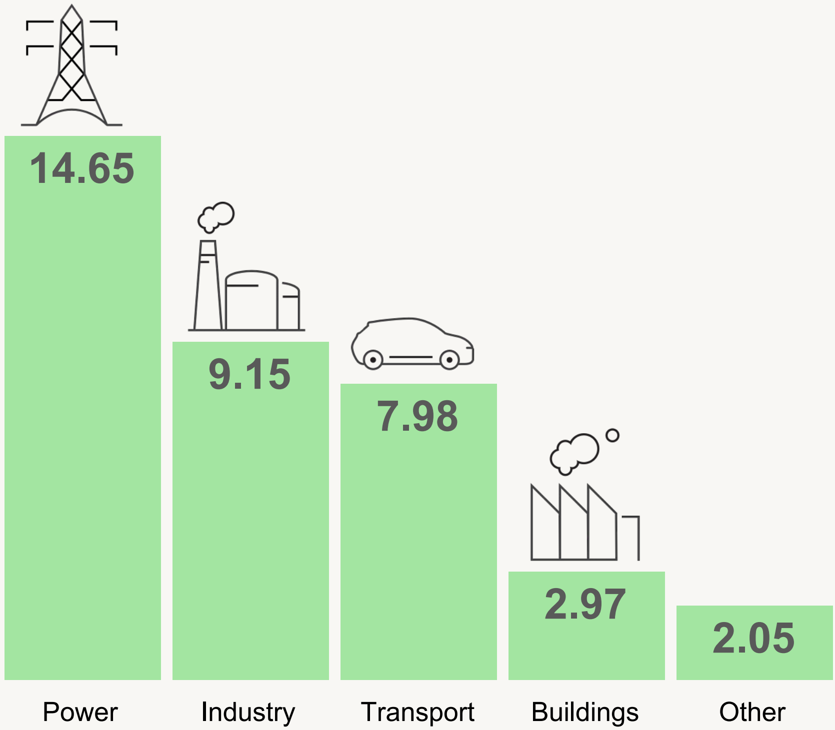
Holding	Shares outstanding (million)	Market capitalization or book value	Aker Horizons' ownership	Value to Aker Horizons
Aker Carbon Capture	604	6,985	43.3 %	3,022
Listed assets				**3,022**
Mainstream Renewable Power			58.4 %	12,169
Aker Horizons Asset Development			100.0 %	1,722
Other				182
Unlisted assets				**14,073**
Cash and receivables				4,116
GAV				**21,211**
Liabilities				(6,133)
NAV				**15,079**

Gross Asset Value Distribution

NOK billion, 31 December 2022



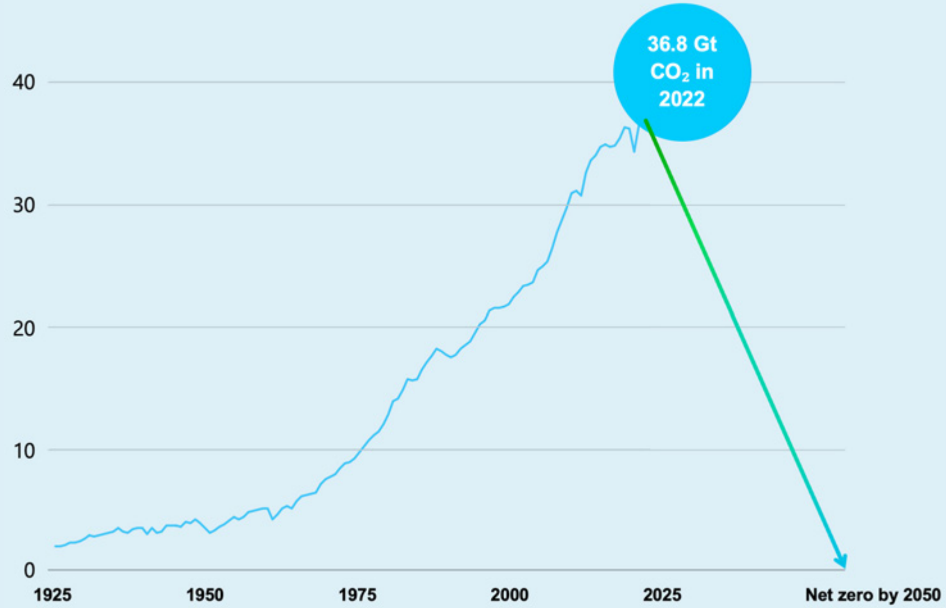
World Emissions by Sector



Units: Gt CO_2 | Source: IEA; 2022 figures

Reaching Net Zero by 2050

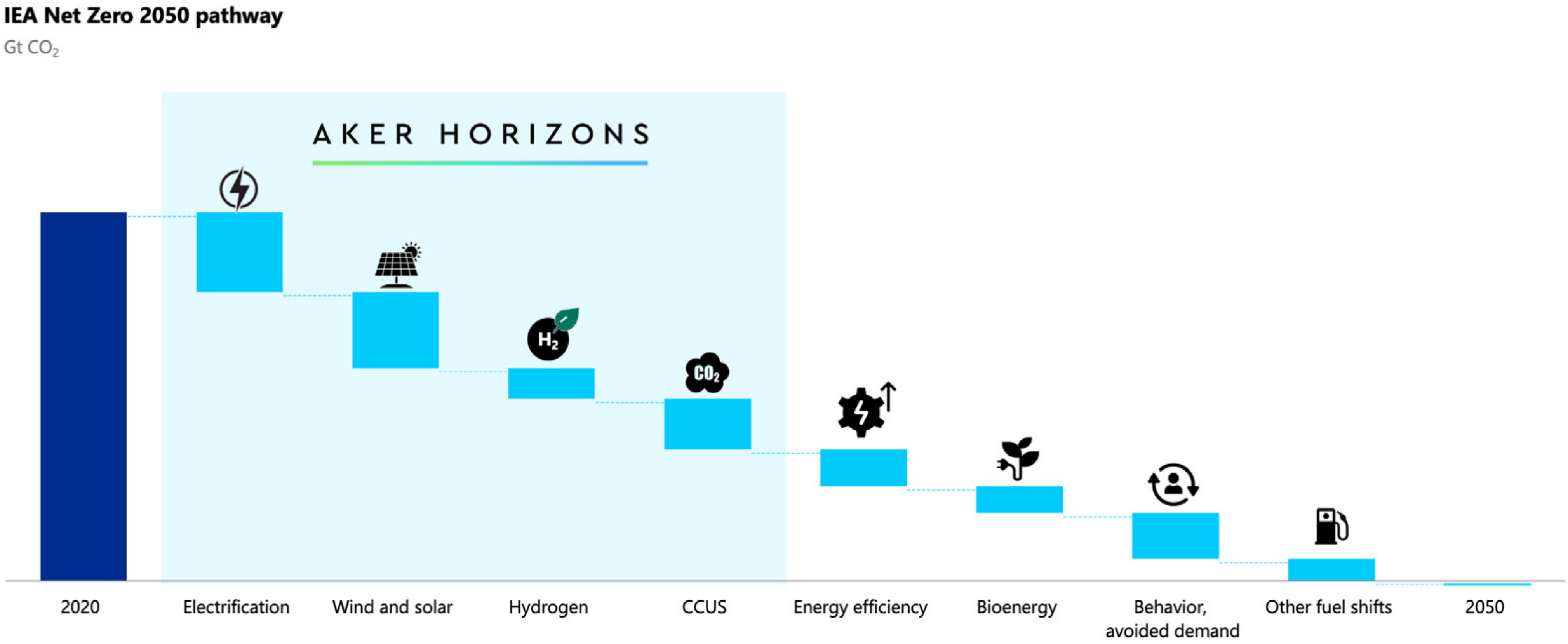
A tremendous global effort is required to reach net zero emissions by 2050. This will only happen if the world succeeds in halting emissions from the sources that contribute the most. The energy system must transition from fossil to renewable sources. Industry, especially the production of high-emitting industrial commodities such as steel, cement, fertilizers, chemicals and aluminum, must develop low carbon and preferably emission-free alternatives, using renewable energy sources or carbon capture and utilization or storage technologies. The same goes for the transportation and building sectors. Business as usual is not possible in a net zero world. Also important to emissions reductions are natural climate solutions (NCS), which capture or reduce greenhouse gas (GHG) emissions by preserving, protecting and restoring ecosystems. Land-use change and deforestation are key drivers of global climate and environmental change, contributing to global warming, erosion, floods and droughts; loss of biodiversity; air, soil and water degradation; and ecosystem losses.



Global CO_2 emissions from energy combustion and industrial processes, 1900-2022

How Aker Horizons Contributes to Reaching Net Zero by 2050

The composition of Aker Horizons' portfolio reflects solutions needed to decarbonize the world at scale. Our companies span the renewable energy sector, including solar and wind power (onshore, bottom-fixed and floating offshore), green and blue hydrogen, and carbon capture, utilization and storage (CCUS).



Our Portfolio Companies

Aker Horizons invests in and develops companies within green energy and green industry that make material contributions to reducing emissions or promoting sustainable living. We are active in renewable energy, carbon capture and hydrogen, and develop industrial-scale decarbonization projects.

Aker Horizons leverages the significant industrial, financial and technological capabilities of the Aker group to identify and develop opportunities, and to expand our portfolio of companies and projects. Each Aker Horizons portfolio company works to maximize value individually, with separate management teams and boards, but with strong, continuous support from Aker Horizons to ensure activities are optimized across the entire value chain and to capitalize on internal expertise in the broader Aker group.

All figures presented are as of year-end 2022. Where the report refers to the “Group” or “Group Companies,” this includes Aker Horizons’ financially-consolidated investees Aker Carbon Capture, Aker Horizons Asset Development and Mainstream Renewable Power (Mainstream Renewable Power or Mainstream). “Portfolio companies” also includes Supernode. For further details, see the section Transparent Reporting.

AKER CARBON CAPTURE

Aker Carbon Capture is a pure-play carbon capture company serving a range of industries with carbon emissions, including the cement, bio and waste-to-energy, gas-to-power and blue hydrogen segments. Aker Carbon Capture's proprietary and field-proven carbon capture technology offers a unique solution for reducing and removing CO_2 emissions.

2022 highlights

- Installing key equipment on site at the Brevik project in Norway – the world's first large-scale CCS plant at a cement facility
- Starting the construction of the carbon capture and utilization (CCU) project at Twence's waste-to-energy plant in the Netherlands
- Delivering FEEDs for the carbon capture and storage projects at Keadby 3 and Net Zero Teesside gas-to-power plants in the UK, both with an annual CO_2 capture capacity of up to 2 million tonnes
- Securing Runcorn CCS pre-FEED for the UK waste management company Viridor, with an annual CO_2 capture capacity of 1 million tonnes

Ownership agenda

- Support development and cost optimization of the entire CCUS value chain
- Drive growth in new markets and industry segments

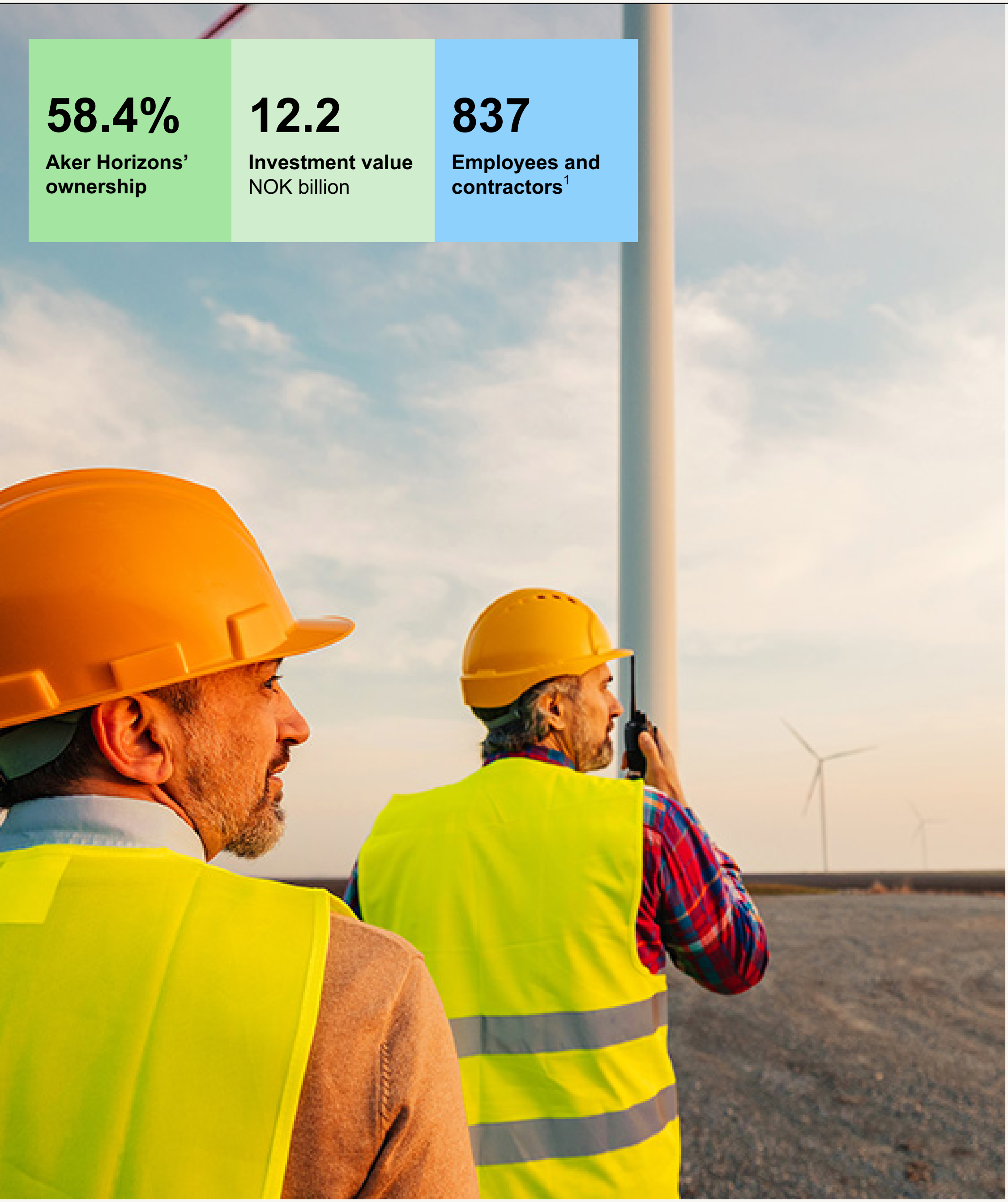
7.0 **Market cap** NOK billion	**43.3%** **Aker Horizons' ownership**
3.0 **Investment value** NOK billion	**131** **Employees and contractors**[1]

1) Year-end count of all employees and contractors, FTE

58.4%
Aker Horizons' ownership

12.2
Investment value
NOK billion

837
Employees and contractors[1]



MAINSTREAM RENEWABLE POWER

Mainstream Renewable Power is a leading independent renewable energy player, with a global footprint and a proven track record in onshore and offshore wind and solar power across Europe, South America, Asia and Africa.

2022 highlights

- Combining with Aker Offshore Wind to create a global front-runner in offshore wind power, with strong floating wind capabilities
- Bringing Mitsui & Co., Ltd. in as a strategic shareholder through a EUR 575 million capital injection to accelerate the global growth of Mainstream's portfolio
- Selling Aela Energía, Chile's largest independent renewable energy producer, to Canadian developer Innergex Renewable Energy in a transaction that generated net proceeds of about USD 114 million
- Entering an agreement to sell Lekela Power, Africa's largest independent pure-play renewable energy producer, to Infinity Group and Africa Finance Corporation, which will generate proceeds of about USD 90 million
- Securing area with the potential for a 1.8 GW offshore wind farm off the Shetland Islands in Scotland, in partnership with Ocean Winds

Ownership agenda

- Accelerate growth through maturing development pipeline
- Extend business capabilities and footprint to become a renewable energy major
- Develop best in class ESG practices and performance

1) Year-end count of all employees and contractors, FTE

SUPERNODE™
Connecting the Future

SuperNode is a global technology development company that designs and delivers superconducting systems to connect renewable generation and increase grid interconnection in mature markets.

2022 highlights

- Moving into a new state-of-the-art, purpose-built technology hub – 'The European Cryogenic Centre for Superconductors' (ECCS), in Ireland
- Securing EUR 14 million in additional funding from owners Aker Horizons and Volnay for further development of innovative superconducting transmission technology
- Expanding the organization to over 50 people, and making key appointments for the organization
- Securing EU Horizon Europe funding for Superconductor cable technology and beginning market engagement work, as part of SCARLET Consortium
- Filing three new patents and testing novel designs for superconducting cable systems

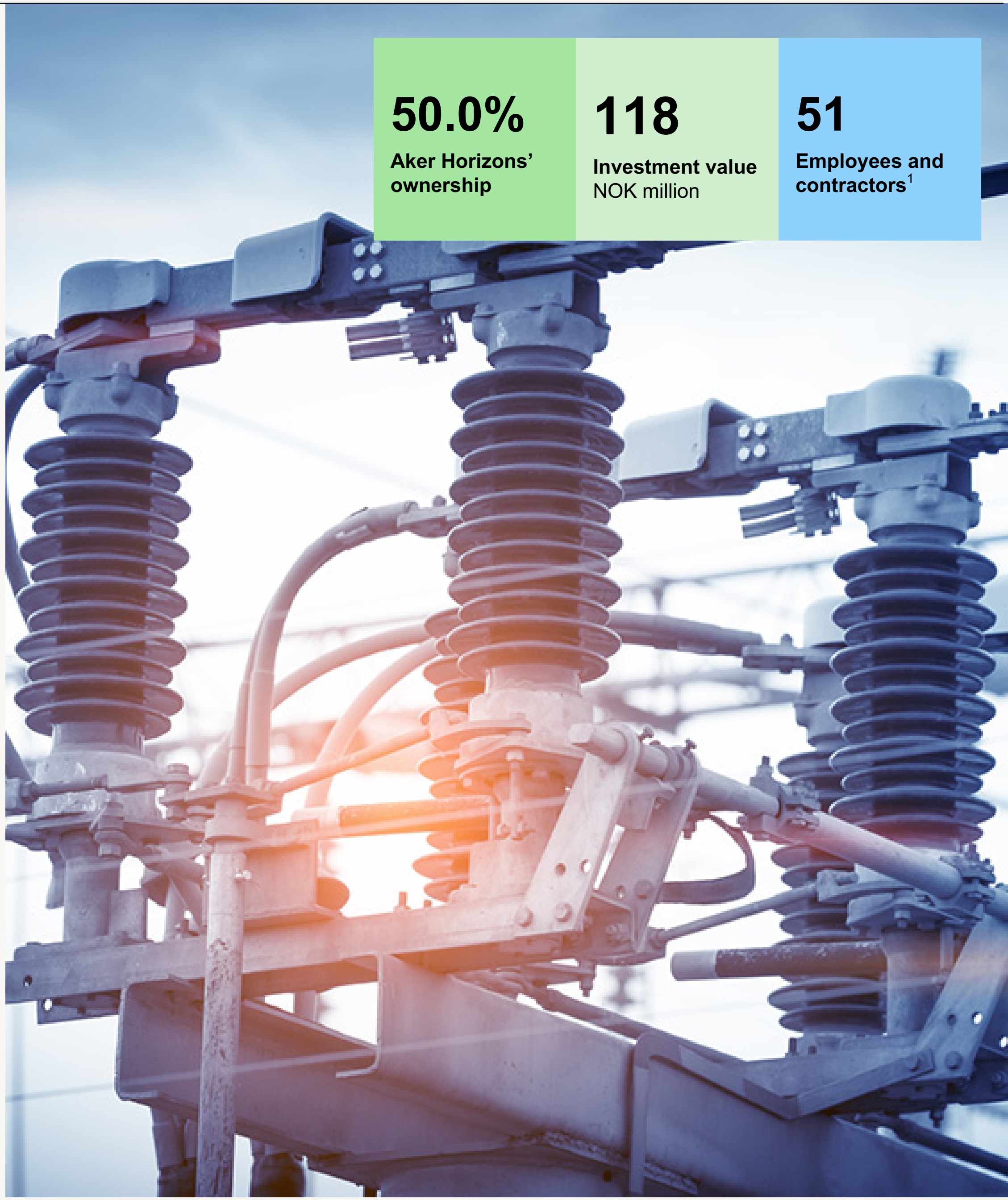
Ownership agenda

- Support continued technology development towards full commercial application
- Develop a viable business model for superconducting cable technology in the future transmission system
- Establish strategic funding plan for commercialization

50.0% Aker Horizons' ownership

118 Investment value NOK million

51 Employees and contractors[1]



1) Year-end count of all employees and contractors, FTE

Aker Horizons Asset Development

Aker Horizons’ wholly-owned asset development arm was established following the merger between Aker Horizons and Aker Clean Hydrogen in June 2022. The business unit is set up to originate, develop, own and operate industrial-scale hydrogen projects to meet growing demand for decarbonizing energy-intensive, hard-to-abate industries such as shipping, steel and fertilizers. Initial focus areas include green ammonia, green methanol and green iron.

2022 highlights

- Reaching a milestone at the Rjukan green hydrogen project with the signing of a land lease and power purchase agreement
- Establishing partnerships with global industry players Kuehne+Nagel, Grieg Edge, Aker BP and others for green fuel offtake in the maritime sector
- Establishing a joint venture company between Aker Horizons and Nordkraft to develop sites for green industries in Northern Norway, including the Kvandal site where civil and electrical engineering works were initiated
- Passing decision gate zero (pre-feasibility), demonstrating technical and commercial viability, including competitive levelized cost of hydrogen, at the large-scale blue hydrogen project Aukra, together with our partners Shell and Cape Omega
- Joining Gassco in conducting a joint feasibility study on hydrogen infrastructure, including a dedicated pipeline to enable efficient hydrogen transport from Norway to Germany
- Entering a partnership with Statkraft to explore opportunities for green hydrogen and ammonia production in India and Brazil

Shareholder Information

Aker Horizons is committed to maintaining an open dialogue with its shareholders, investors, analysts and the capital markets.

Our goal is for the share price to reflect the underlying value of the Company by making all price-relevant information available to the market. Aker Horizons works to create shareholder value over time.

Share capital

Aker Horizons has one class of shares. Each share carries one vote at the Company's general meeting. The shares are freely transferable pursuant to the Company's articles of association.

Aker Horizons' registered share capital at 31 December 2022 was NOK 690.3 million, divided between 690,348,751 shares with a nominal value of NOK 1.00 each.

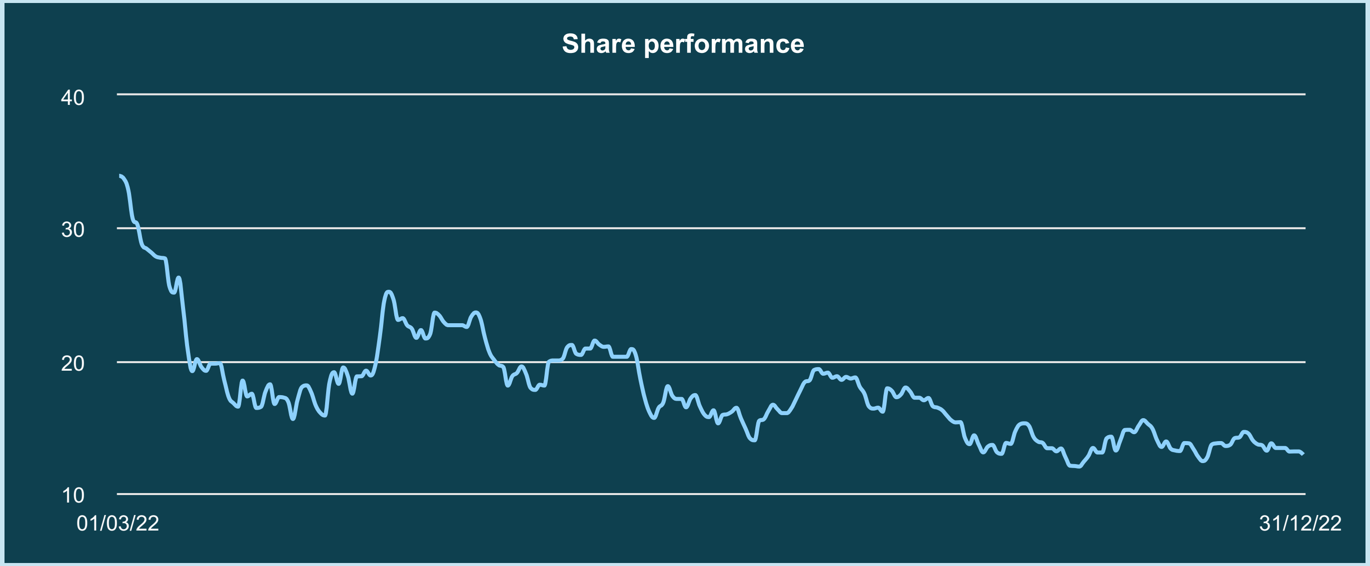
The shares are registered in the Norwegian Central Securities Depository (VPS) with DNB ASA as the account operator and issuer. The securities identification number for the share is ISIN NO0010921232.

Stock market listing

Aker Horizons is listed on the Oslo Stock Exchange under the ticker AKH. Aker Horizons ASA's shares are registered with the VPS with the registration number ISIN NO0010921232.

The share price has varied between NOK 11.6 and NOK 34.3. At the end of 2022, the Company's market capitalization was NOK 8.9 billion. A total of 297.3 million shares were traded in 2022, corresponding to a turnover rate of 43.1 percent.

The Aker Horizons share was traded on all of Oslo Stock Exchange's trading days in 2022. The share is included in Oslo Stock Exchange's OSEBX index.



Shareholder structure

At the end of 2022, Aker Horizons had 40,853 shareholders. According to the shareholder register maintained by the Norwegian Central Securities Depository (VPS), non-Norwegian shareholders held 18.92 percent of the Company's shares as at 31 December 2022.

At the reporting date, Aker ASA (through its subsidiary Aker Capital) was the largest shareholder, holding 67.25 percent of Aker Horizons' shares, followed by Folketrygdfondet (the Government Pension Fund Norway) with 2.96 percent and Baillie Gifford & Co with 2.61 percent.

The 20 largest shareholders held a total of 80.81 percent of the Company's shares at the end of the year.

Option schemes

As at 31 December 2022, Aker Horizons had no share option schemes.

Investor relations

Aker Horizons seeks to maintain an open and direct dialogue with shareholders, debt holders, financial analysts and the stock markets in general.

The Company strives to ensure that all participants in the financial markets have equal and simultaneous access to accurate, clear, relevant and complete information about Aker Horizons' performance and market position, in order to give the financial markets a precise picture of the Company's financial position and other factors that may influence value creation in Aker Horizons.

The Company arranges regular presentations for, and meetings with, shareholders, analysts, and investors.

All Aker Horizons' press releases, stock exchange notices and investor relations (IR) information are available on the Company's website, https://www.akerhorizons.com/investors

This online resource also offers access to the Company's quarterly and annual reports, prospectuses, corporate presentations, articles of association, financial calendar, investor policy and corporate governance information.

Quarterly and annual reports

Aker Horizons' 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: AKH).

The Company's financial reporting shall comply with the framework set out in the Oslo Stock Exchange Rule Book Part I and II. In addition, Aker Horizons shall comply with relevant recommendations and market practices for financial and other investor information.

Aker Horizons strives to follow the Norwegian Code of Practice for Corporate Governance, including the Code's principles of transparency and disclosure of relevant information. This implies that information should be available on Aker Horizons' website and other relevant places.

All information distributed to individual Aker Horizons shareholders is also made available on the Company website as well as under Aker Horizons' ticker-symbol ("AKH") on www.newsweb.com. To the extent Aker Horizons chooses to hold a presentation in connection with its quarterly financial reports, such presentations are open to investors, analysts and other stakeholders.

Aker Horizons seeks at all times to comply with the latest version of the "Oslo Stock Exchange Code of Practice for IR". Compliance with the recommendation is based on the "comply or explain" principle, which means that Aker Horizons' website explains any deviations from the recommendation.

All written financial information is as a rule published in English. Aker Horizons is granted an exemption from the provisions of section 5-13 of the Norwegian Securities Trading Act, related to the requirement of disclosing information in Norwegian.

Nomination Committee

The Company's Nomination Committee has two members, Svein Oskar Stoknes (chair) and Ingebret Hisdal.

Shareholders who wish to contact the Nomination Committee may do so using the following email address: svein.stoknes@akerasa.com.

Audit Committee

The Company's Audit Committee has two members, Lone Fønss Schrøder (chair) and Lise Kingo.

Annual General Meeting

In accordance with Norwegian law, the Annual General Meeting of the Company's shareholders is required to be held each year on or prior to June 30. Aker Horizons' annual general meeting is scheduled this year to be held on 21 April 2023. Written notification will be 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 via Aker Horizons' 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 Horizons' website.

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

Board of Directors' Report

Aker Horizons' second full year of operation was marked by a series of significant transactions and partnerships that expanded the Company's geographical and industrial footprint. New customers, studies and project opportunities were secured, increasing the global renewable energy project pipeline by 5 GW year-on-year. Key projects were matured and milestones reached on major projects, for example in Chile. Aker Horizons' net asset value stood at NOK 15.1 billion at the end of 2022, compared to NOK 16.9 billion at year-end 2021. While the Company's market segments faced headwinds in 2022, Aker Horizons goes into 2023 benefiting from a favorable regulatory environment and strong political support in Europe and the US for the green energy transition, expanding opportunities in core markets and a solid financial position.

Introduction

Aker Horizons is dedicated to developing green energy and green industry to accelerate the transition to net zero emissions. The Company's aim is to reduce greenhouse gas emissions and promote sustainable living, while providing substantial value creation over time through active ownership.

Aker Horizons was established in November 2020, and is headquartered at Fornebu, Norway. Aker Horizons is 67.25 percent indirectly owned by Aker ASA, a Norwegian industrial investment company with a more than 180-year industrial history and ownership interests concentrated in energy and green technologies, industrial software, seafood and marine biotechnology, through its subsidiary Aker Capital AS. Aker Horizons is part of Aker's ecosystem, which provides an industrial edge through alliances across a range of disciplines, access to expertise within digitalization, operational and technical capabilities, and commercial synergies. Through its portfolio companies, Aker Horizons is present in 18 countries and five continents.

Aker Horizons' portfolio comprises both private and public companies. The Company has been listed on the Oslo Stock Exchange since May 2021.

Business model and strategy

Aker Horizons' overarching business model is to incubate and invest in companies within green energy and green industry, and subsequently grow and develop them to create value for Aker Horizons' shareholders.

Within its wholly-owned asset development business unit, Aker Horizons originates and develops industrial-scale hydrogen projects to meet growing demand for decarbonizing energy-intensive, hard-to-abate industries. Initial focus areas include green ammonia, green methanol and green iron.

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

Aker Horizons' current portfolio secures established positions in verticals such as carbon capture, renewable energy and hydrogen.

Grounded in eight selected Sustainable Development Goals (SDGs) and the ambition to accelerate the transition to net zero, Aker Horizons has established a framework for identifying opportunities that incorporates a broad set of defined investment criteria. The criteria include a strong growth outlook and profitability potential, a clear path to earnings and a unique capability set to address global sustainability challenges, in line with the SDGs. In addition, the companies and projects must play to the Aker group's strengths. Aker Horizons has access to dedicated in-house resources comprising a team of professionals that are key to realizing the company's strategy by offering a combination of financial, industrial and operational experience. The team works in close collaboration with the portfolio companies' executive managements.

Key developments in 2022

2022 was characterized by market volatility, macroeconomic headwinds and geopolitical uncertainty. The war in Ukraine compounded the supply chain disruptions caused by the Covid pandemic, sending energy prices higher.

Aker Horizons' market segment was impacted by inflation, supply chain bottlenecks and delays in permitting processes, which led to increased levelized costs of energy. As a result, a number of renewable energy auctions registered lower-than-expected levels of participation, and final investment decisions declined.

Despite the setbacks, 2022 still saw a remarkable acceleration in the energy transition, in part due to the energy crisis, with record renewable energy installations worldwide. Global investments in low-carbon energy technology climbed to a record high of USD 1.1 trillion, according to BloombergNEF. Renewable energy, which includes wind, solar, biofuels and other renewables, remained the largest sector in investment terms, with USD 495 billion committed in 2022, up 17 percent from the year before.

Policy support for the energy transition, crucial to realize many early-stage solutions for decarbonization, also picked up pace. The US Inflation Reduction Act, which was passed into law in August 2022, is widely expected to direct massive investments into clean energy technologies in the coming years, and help drive the up-scaling of green technologies like hydrogen and carbon capture. The European Union (EU) reached agreement on the Fit for 55, RePowerEU and carbon border adjustment mechanism, setting the scene for faster decarbonization across the bloc.

Aker Horizons' portfolio underwent a series of major transactions in 2022. At the beginning of the year, the portfolio comprised equity stakes in Aker Carbon Capture, Aker Clean Hydrogen, Aker Offshore Wind and Mainstream Renewable Power, as well as investments in Rainpower, REC Silicon, SuperNode and strategic sites for green industrial development in Narvik.

Over the course of 2022, Aker Clean Hydrogen was merged into Aker Horizons, establishing an in-house hybrid asset origination and development entity, in the form of Aker Horizons Asset Development.

Mitsui invested EUR 575 million in Mainstream Renewable Power, joining Aker Horizons as a long-term strategic partner in the company. Following the repositioning of Aker Offshore Wind as a private company, AOW and Mainstream Renewable Power combined, leveraging complementary footprints and capabilities, increased scale and improved access to financing.

Aker Horizons sold all its shares in REC Silicon to Hanwha for total proceeds of NOK 1.8 billion. It also sold all its shares in Rainpower to Aker Solutions, for about NOK 100 million.

At the close of 2022, Aker Horizons' portfolio was composed of holdings in Aker Carbon Capture, Mainstream Renewable Power and SuperNode, as well as the wholly-owned business unit Aker Horizons Asset Development.

Aker Horizons had a Net Asset Value (NAV) of NOK 15.1 billion as of 31 December 2022, compared to NOK 16.9 billion as of 31 December 2021. At year-end 2022, Aker Horizons had available corporate liquidity (cash and undrawn facilities) of NOK 9.4 billion, while its net debt position stood at NOK 1.9 billion. Aker Horizons' share price ended the year at NOK 12.9, down from NOK 33.1 at year-end 2021.

Company portfolio

Aker Carbon Capture

Aker Carbon Capture is a pure-play carbon capture company, serving a range of industries with carbon emissions, including the cement, bio and waste-to-energy, gas-to-power and blue hydrogen segments. Aker Carbon Capture's proprietary and field-proven carbon capture technology, which has been developed over the past two decades, offers a unique, HSE-friendly solution for reducing and removing CO_2 emissions.

Carbon capture, utilization and storage (CCUS) will be critical if the world is to reach net zero emissions by 2050. For many industrial CO_2 emitters, CCUS is the only viable solution to significantly reduce and remove emissions. The commercial market continued to develop favorably during 2022, with key projects moving into the construction phase and new projects maturing.

Political support for CCUS also grew in 2022 as a growing number of countries, driven by Europe and North America, introduced or strengthened support mechanisms to realize carbon capture on an industrial scale.

Aker Carbon Capture made progress on its main projects. In Norway, the company installed key equipment on site at the Brevik CCS project - the world's first large-scale carbon capture project at a cement facility. This is a flagship project for Aker Carbon Capture and a milestone for the CCS industry.

In the Netherlands, construction started at a project to deliver a Just Catch™ modular carbon capture plant to a waste-to-energy facility operated by Twence, the local waste-to-energy company. In this pioneering project, the captured CO_2 will be transported to nearby greenhouses and utilized to increase plant yields, thus creating a commercial market for the CO_2. The plant is scheduled to commence operations at the end of 2023.

Aker Carbon Capture strengthened its position in the UK, a frontrunner in the development of CCUS value chains, with two FEED contract awards.

A consortium of Aker Solutions, Siemens Energy and Altrad Babcock was awarded a Front-End and Engineering Design (FEED) contract for bp's Net Zero Teesside Power project. Aker Carbon Capture is the carbon capture provider to the consortium.

SSE Thermal awarded the same consortium a FEED for Keadby 3, a 910 MW gas-to-power plant equipped with carbon capture technology, to be built in the Humber region. Once operational, the plant will have the ability to capture up to 2 million tonnes of carbon annually.

Both projects could become one of the world's first commercial scale gas-fired power stations with carbon capture and storage.

At the end of the year, Aker Carbon Capture commenced a pre-FEED for Runcorn CCS for Viridor, a significant waste management company in UK.

During the year, Aker Carbon Capture entered into several Memorandums of Understanding (MoUs) that will pave the way for future project developments and collaborations.

The Aker Carbon Capture share fell 59 percent during the year, closing at NOK 11.56, down from NOK 28.40 a year earlier.

Mainstream Renewable Power

Mainstream Renewable Power is a global pure-play renewable energy company specializing in the development of gigawatt-scale platforms across onshore wind, offshore wind, and solar power. With a mission to lead the global transition to renewable energy, it had a project portfolio of over 21 GW across Europe, Americas, Africa and Asia Pacific, with 1.5 GW in operation and under construction at the end of 2022.

In the first half of 2022, Aker Horizons merged with Aker Offshore Wind. The merger between the two companies was carried out as a triangular merger whereby Aker Offshore Wind merged with a wholly-owned subsidiary of Aker Horizons, which remained as the surviving entity, and shareholders in Aker Offshore Wind received 0.1304 shares in Aker Horizons in consideration for each share owned in Aker Offshore Wind. The merger paved the way for combining Aker Offshore Wind and Mainstream Renewable Power, in a transaction that closed in August, to create a global renewable energy company. The new company brings together Aker Offshore Wind's strong technical and engineering capabilities and early mover position in floating offshore wind, and Mainstream's proven project development methodology, execution track record and global presence.

A new, integrated organization was launched on 1 November, with Mary Quaney as CEO and Tove Røskaft as head of the offshore wind business.

Mitsui & Co., Ltd. became a strategic shareholder of Mainstream via a EUR 575 million capital injection in April 2022. Mitsui is one of the leading Japanese general trading and investment firms, with approximately 45,000 employees in 63 countries and business activities across mineral and metal resources, iron and steel, infrastructure, chemicals and energy. At the end of 2022, the Japanese company owned 24.9 percent of the company, while Aker Horizons owned 58.4 percent.

Mainstream delivered on its strategic plan to divest its stakes in two large portfolios in Chile and South Africa. The company sold its 40 percent stake in Aela Energía, Chile's largest independent renewable energy producer, to Canadian developer Innergex Renewable Energy in a transaction that generated net proceeds of about USD 114 million. Separately, the company entered an agreement to exit Lekela Power, Africa's largest independent pure-play renewable energy producer, to Infinity Group and Africa Finance Corporation. The transaction closed in March of 2023 and will generate proceeds to Mainstream of about USD 90 million, subject to certain closing adjustments

In Chile, Mainstream made further progress on its Andes Renovables Platform, completing eight out of 10 projects and setting the company on track to connect a combined capacity of more than 1 GW to the grid. This milestone was reached in early 2023.

Challenging market conditions impacted companies in Chile's power sector in 2022, including Mainstream, with grid capacity limitations leading to increased costs. Mainstream's diversified portfolio, with both wind and solar power production in the north and south of the country, together with the finalizing of new projects, helped mitigate the impact.

Mainstream recognized an impairment of USD 350 million net of tax on the goodwill and intangible assets allocated to the Andes portfolio, reflecting a rising interest rate environment and adverse market conditions.

In South Africa, Mainstream and its Ikamva Consortium signed project agreements for six solar plants, with a combined capacity of 450 MW, awarded under Round 5 of South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). This is a significant milestone in advancing the projects towards financial close.

The company also signed a lease agreement with Eskom, South Africa's national electricity company, for a 1,650-hectare site. The lease agreement, which will run for 25-30 years, was part of a new initiative by Eskom to make land available around existing power stations with sufficient, available grid capacity.

In the Philippines, Mainstream entered a joint venture with Aboitiz Power Corporation, one of the country's leading providers of renewable energy, to deliver a 90 MW onshore wind power project located in the Camarines Sur Province. This project supports the government's ambition to generate 35 percent of all its electricity from renewables by 2030, and 50 percent by 2040.

The company's offshore wind power portfolio grew as it secured an area with the potential for a 1.8 GW offshore wind farm off the Shetland Islands in Scotland, together with its partner Ocean Winds. The site is located east of the Shetland Islands in approximately 100 meters of water and is well suited for floating offshore wind power production. The project partners, which hold a 50-50 stake, are committed to developing floating offshore wind power generation on an industrial scale in Scotland. The site's output is expected to power for the equivalent of over 2 million homes.

In South Korea, Korea Floating Wind (KF Wind), the joint venture between Ocean Winds and Mainstream, obtained electricity business licenses from Korean authorities for a total capacity of 1.3 GW. This represents a key step towards realizing one of the world's first large-scale commercial floating wind farms. KF Wind is working to secure the remaining required permits during 2023/2024. A joint development agreement was also signed with East-West Power (EWP), a state-owned power generation company in Korea.

Cost increases that started in 2021 continued to constrain supply chains and impact projects across geographies and renewable energy segments. In some instances, inflationary pressure delayed investment decisions and orders, as well as lengthening delivery schedules. Mainstream managed the added pressures through a continued focus on cost discipline and a diversified sourcing approach.

Aker Horizons Asset Development

In 2022, Aker Horizons and Aker Clean Hydrogen combined in an all-stock merger that repositioned the hydrogen company as a privately held subsidiary of Aker Horizons. Shareholders in Aker Clean Hydrogen (other than Aker Horizons) received 0.2381 shares in Aker Horizons in consideration for each share owned in Aker Clean Hydrogen.

The merger with Aker Clean Hydrogen was designed to strengthen the organization's capacity to develop large, hybrid decarbonization projects in which hydrogen production is combined with downstream applications such as ammonia production. The business' main activities were continued as part of Aker Horizons' Asset Development unit, which was set up when the merger was completed.

Rjukan

The green hydrogen project in Rjukan, Eastern Norway, made good progress in 2022, when Aker Horizons secured both a power purchase agreement with the local energy group and a land lease agreement with the local municipality. The 40 MW hydrogen project (20 MW in the first phase) aims to serve industry and transport in the south-east of Norway with clean hydrogen. The facility will utilize existing infrastructure and industrial land, which will enable an early start up due to available power at the site. The first phase of the project has a planned Commercial Operation Date in 2025. Discussions with potential offtakers matured during 2022, and the company is targeting a final investment decision in 2023.

The Rjukan project is an important frontrunner in Aker Horizons Asset Development's portfolio, serving as a blueprint to de-risk Aker Horizons' larger projects, such as Narvik, technically, financially and commercially.

Narvik

Aker Horizons continued to mature opportunities in the Narvik region, Northern Norway, where the Company has secured land with an ambition to establish green value chains for power-intensive industries. Together with the local community, Aker Horizons aims to leverage access to renewable power to create green jobs and sustainable export industries.
The Narvik region offers several benefits as a hub, with access to competitively priced renewable energy, excellent transport connections for exports, including road, rail and port facilities, as well as local authorities committed to the energy transition.

In 2022, the Company initiated several feasibility studies together with leading EPC and technology providers to further mature industrial concepts for green hydrogen and green ammonia.

A joint venture with local energy company Nordkraft was established to develop sites for power-intensive industries. On one of the sites, Kvandal, civil and electrical engineering works were initiated to prepare for industrial development.

Berlevåg
In Berlevåg, Northern Norway, Aker Horizons and Varanger Kraft plan to build a green hydrogen and ammonia plant that could help decarbonize arctic shipping and off-grid power plants. Strong demand for new grid capacity in the region has impacted permitting processes and the availability of grid connections. Against this backdrop, the Asset Development team and its local partners in 2022 started assessing opportunities to utilize currently available power in the region, ahead of a planned 420Kv grid expansion, with the aim of establishing an updated industrial development plan that optimizes both the short and long-term potential in the area.

Aukra
In Aukra, North-West Norway, Aker Horizons, CapeOmega and Shell are working to develop a large-scale production facility for clean hydrogen, using natural gas from the local gas processing plant at Nyhamna. The project is a so-called blue hydrogen development, powered by natural gas with carbon capture and storage to remove emissions of greenhouse gases.

The Aukra facility could potentially produce large amounts of clean hydrogen for export to Europe. In 2022, Aker Horizons was invited by Gassco, the Norwegian state enterprise for gas transport, to conduct a joint feasibility study on infrastructure, including a dedicated pipeline to enable efficient hydrogen transport from Norway to Germany. The study will be completed in 2023.

In other developments, Aker Horizons partnered with Statkraft to explore opportunities for green hydrogen and ammonia production in India and Brazil, targeting regional steel and fertilizer markets as well as ammonia exports.

Early in 2002, Aker Clean Hydrogen and Statkraft exited the Hegra project, which aims to electrify an ammonia facility at Herøya, Norway. The project continued with site owner Yara as the sole proprietor.

Chile
In Chile, Aker Horizons and Mainstream are collaborating on developing a large-scale ammonia production facility with up to 1,500-3,000 MW of electrolyzer capacity based on renewable power. Several feasibility studies were conducted in 2022.

SuperNode
SuperNode is a global technology development company that designs and delivers superconducting systems to connect renewable generation and increase grid interconnection in mature markets. Aker Horizons owns 50.0 percent of SuperNode.

Last year, the company moved into a new state-of-the-art, purpose-built technology center – 'The European Cryogenic Centre for Superconductors' (ECCS) – in Dublin, Ireland. It continued to test its novel designs for superconducting cable systems, filing three patents. It also published several studies, including reports showing how a fully-connected Pan-European Energy transmission system could reduce costs by 32 percent.

SuperNode secured EUR 14 million of additional funding from owners Aker Horizons and Volnay for further technology development. The company also attracted EU Horizon funding for superconductor cable technology and began market engagement work as part of the SCARLET Consortium.

The organization grew to more than 50 people during the course of 2022, as the company made key appointments.

REC Silicon
Aker Horizons sold all of Aker Horizons' shares in REC Silicon, a producer of advanced silicon materials, to South Korea's Hanwha Solutions Corporation and Hanwha Corporation. In two transactions, Aker Horizons sold a total of 91,995,551 shares in REC Silicon at a price of NOK 20 per share, resulting in total proceeds to Aker Horizons of approximately NOK 1,840 million. Following completion of the transaction, Aker Horizons no longer owns any shares in REC Silicon.

Rainpower
Aker Horizons agreed to sell 100 percent of the shares in its portfolio company Rainpower, a technology provider to the hydropower industry, to Aker Solutions Holding AS, a subsidiary of Aker Horizons' sister company Aker Solutions ASA. The transaction was completed during the second quarter of 2022 at a price of about NOK 100 million.

Subsequent events

In January 2023, Aker Carbon Capture signed a Letter of Intent with an undisclosed European customer for the delivery of two Just Catch units. Both units will be part of a project with a capture capacity of 200,000 tonnes CO_2 per year. The final investment decision is expected in the second quarter of 2023.

In February 2023, Aker Carbon Capture was awarded a feasibility study for the development of two carbon capture plants for Röhm, a leading chemicals manufacturer, to capture nearly 500,000 tonnes CO_2 per year.

In February 2023, Aker Horizons Asset Development signed a Memorandum of Understanding with a leading industrial gas company to jointly mature the Rjukan hydrogen project. The intention is to sign a Joint Development Agreement and co-develop the project towards a final investment decision.

In March 2023, Mainstream and Actis completed the sale of Lekela Power. The transaction will generate net proceeds to Mainstream of approximately USD 90 million, subject to certain closing adjustments, with the transaction valued at an enterprise value of approximately USD 1.5 billion.

Subsequent to the year-end, certain technical Events of Default in the Andes Renovables portfolio occurred relating to operational matters in the loan facilities customary for project finance facilities of this nature. Mainstream is in active dialogue with the banks relating to obtaining the necessary waivers and approvals required to resolve the defaults. Please refer to Note 35 Subsequent events for more information.

Financial performance

Presentation of annual accounts
Aker Horizons' annual accounts consist of the consolidated financial statements and the separate financial statements of the parent company. Pursuant to section 3-3a of the Norwegian Accounting Act, it is confirmed that the accounts have been prepared on the assumption that Aker Horizons is a going concern and the Board confirms that this assumption continues to apply.

Group accounts
The main companies included in Aker Horizons' consolidated accounts are Mainstream Renewable Power, Aker Carbon Capture and Asset Development. SuperNode is accounted for as equity-accounted investees.

During 2022, Aker Horizons sold its shareholding in Rainpower. Rainpower has thus been presented as a discontinued operation.

Income statement
The Group had operating revenues of NOK 2.4 billion in 2022, compared to NOK 1.0 billion the previous year. The increase reflects more projects coming into operation in Chile, as well as increased activity at Aker Carbon Capture's Brevik CCS and Twence CCU projects. The Group also reported NOK 1.9 billion in other income, which mainly reflects a gain of NOK 1.6 billion generated from the sale of its 24.7 percent shareholding in REC Silicon and a gain of NOK 143 million from the sale of its 40 percent shareholding in Aela Energía.

Total operating expenses came in at NOK 5.1 billion in 2022, compared to NOK 2.4 billion in 2021. The increase reflects higher activity across the portfolio, as well as losses incurred by Mainstream due to challenging conditions in Chile's energy market in 2022. EBITDA ended at negative NOK 795 million compared to a negative EBITDA of NOK 1,247 million in 2021.

In 2022, depreciation and amortization amounted to NOK 494 million, an increase of NOK 411 million from 2021. This is mainly due to more projects coming into operation in Chile during 2022. In addition, an impairment of NOK 4.4 billion (NOK 3.6 billion net of tax) was recognized in the year, mainly for goodwill and intangible assets allocated to the Andes portfolio in Chile, reflecting a rising interest rate environment and adverse market conditions.

Net financial expenses totaled NOK 804 million in 2022, compared to NOK 745 million in 2021. The increase is mainly explained by higher interest expenses.

Profit (loss) from equity-accounted investees ended with a loss of NOK 152 million, compared to a loss of NOK 215 million in 2021.

Discontinued operations relate to Rainpower, which was sold in the period.

Income tax for the period was positive in the amount of NOK 1.4 billion. NOK 620 million of this derives mainly from previously unrecognized tax losses offsetting taxable gains on interest rate swaps. The remaining tax income relates to the reversal of the deferred tax liability on the intangible assets in Chile that were impaired in 2022.

The Group made a pre-tax loss of NOK 6.7 billion in 2022, compared with a loss of NOK 2.3 billion in 2021.

Earnings per share ended at negative NOK 4.03, compared to negative NOK 3.54 in 2021.

Balance sheet

The Group's total assets amounted to NOK 37.3 billion as of 31 December 2022, compared to NOK 32.6 billion at year-end 2021. Total non-current assets ended at NOK 23.8 billion, up from NOK 21.1 million in 2021. The Group's total intangible assets totaled NOK 3.5 billion at the end of the year, down from NOK 6.8 billion in 2021, as a result of the impairment of goodwill and intangible assets recognized in Chile. Property, plant and equipment increased by NOK 3.6 billion, reflecting high construction activity at the Andes Renovables platform in Chile.

Current assets totaled NOK 13.6 billion as of 31 December 2021, up from NOK 11.4 billion a year earlier. The change is mainly due to an increased cash position as a result of the investment in Mainstream made by Mitsui in April 2022. The cash position ended the year at NOK 10.8 billion, of which NOK 2.1 billion is restricted and relates to construction activity in Chile.

Current liabilities amounted to NOK 3.0 billion, while non-current liabilities totaled NOK 20.7 billion at year-end 2022. The corresponding figures for 2021 were NOK 3.5 billion and NOK 19.1 billion, respectively. The Group's interest-bearing debt amounted to NOK 20.0 billion as of 31 December 2022, of which NOK 871 million is current, compared to total borrowings of NOK 17.6 billion at the end of 2021. The increase in borrowings is mainly related to increased project financing related to construction activity in Chile.

The Group's equity ratio was 36.5 percent at the end of 2022, compared with 30.7 percent at the end of 2021.

Cash flow statement

The Group's cash balance stood at NOK 8.7 billion as of 31 December 2022, net of restricted cash. This is up by NOK 3.3 billion from year-end 2021. The Group's net cash flow from operations amounted to negative NOK 3.7 billion in 2022, compared to negative NOK 1.8 million in 2021. The change reflects operating losses from power production in Chile, as well as increased development activities across the portfolio.

Net cash flow from investment activities totaled negative NOK 148 million in 2022, against negative NOK 9.3 billion in 2021. Capital expenditure ended NOK 329 million lower than in 2021, with proceeds from the sale of REC Silicon and Aela Energía contributing NOK 3.0 billion in 2022. NOK 460 million was invested in joint ventures during 2022.

Net cash flow from financing activities amounted to NOK 6.2 billion in 2022, compared to NOK 15.8 billion in 2021. Cash flow for the year from financing activities is primarily attributable to proceeds from new borrowings in Mainstream and from share issues in Mainstream by Mitsui.

Aker Horizons' accounts

The parent company, Aker Horizons, made a loss for the year of NOK 420 million, compared to a loss of NOK 177 million in 2021. The operating loss of NOK 22 million mainly reflects costs related to share issues, listing, audit fees and fees to the Board of Directors. Net finance costs of NOK 397 million relate mainly to interest expenses on borrowings and increased from NOK 145 million in 2021. This is primarily due to interest costs and lower net dividends from the subsidiary Aker Horizons Holding AS, which were NOK 10 million in 2022, compared to NOK 400 million in 2021.

Assets totaled NOK 22.2 billion and equity amounted to NOK 15.4 billion at the end of 2022. This represents a 70 percent equity ratio at the end of 2022 and is in line with 2021.

The parent company had no research and development activities in 2022. The Group's R&D activities are presented in the annual reports of the respective operational portfolio companies.

Allocation of loss and dividend in Aker Horizons ASA

The Board of Directors has not proposed a dividend payment for 2022. The net loss for the year of NOK 420 million is allocated to retained earnings

Management model, corporate governance, control and compliance

Good corporate governance provides the foundation for long-term value creation, for the benefit of shareholders, employees and other stakeholders.

Aker Horizons is a public limited liability company organized under Norwegian law and with a governance structure based on Norwegian corporate law, other regulatory requirements and the guidelines of the Norwegian Corporate Governance Board (the Norwegian Code of Practice for Corporate Governance). Aker Horizons is subject to annual corporate governance reporting requirements under section 3-3b of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance, see section 4.4 of the Oslo Stock Exchange Rule Book II, rules for issuers listed on the Oslo Stock Exchange.

Aker Horizons' Board of Directors consists of five members, two of whom represent Aker ASA. The majority of the shareholder-elected board members are independent of executive personnel and material business associates. The Chair of the Board is elected by the General Meeting. The Company's Audit Committee comprises two independent board members.

The directors and officers of Aker Horizons ASA are covered under the Aker group's Director & Officer's Liability Insurance (D&O). This covers personal legal liabilities including defense and legal costs. The officers and directors of the parent company and all subsidiaries globally are covered by the D&O insurance. The coverage also includes employees in managerial positions or employees who become named in a claim or investigation.

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

Aker Horizons' corporate governance principles are based on the Norwegian Code of Practice for Corporate Governance. The Company's practice is largely in accordance with these recommendations. The annual statement on corporate governance for 2022 has been approved by the Board of Directors and can be found in the Corporate Governance Report in this annual report.

A summary of Aker Horizons' human rights due diligence and related efforts pursuant to the Transparency Act is included in the Sustainability Report. A full account of due diligence pursuant to the Transparency Act will, as required by the Act, be published on Aker Horizons' website by 30 June 2023.

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 Horizons' Board of Directors held 10 meetings in 2022, and its Audit Committee met seven times. Board meeting attendance averaged 90 percent.

Further information on the mandate and work of the Board of Directors and Audit Committee can be found in the Corporate Governance Report. Board members' shareholdings and remunerations are presented in the Remuneration Report.

Business and society

Aker Horizons' business and its impact on people, society and the environment is presented throughout this report. Aker Horizons is a planet-positive investment company that aims to create value for customers, shareholders, employees, partners and society at large by developing and scaling companies that solve fundamental challenges to sustainable existence. As such, sustainability is at the core of Aker Horizons' mission and business operations.

Sustainability comprises Environmental, Social and Governance (ESG) factors and relates to how Aker Horizons creates long-term value by implementing strategies that incorporate ESG dimensions. These include environmental topics, such as biodiversity and circularity; social topics, such as human rights and local community impacts; and governance matters, such as responsible business conduct. Aker Horizons has identified its most material topics through a materiality assessment, a key building block in Aker Horizons' sustainability work.

Aker Horizons' Board of Directors has adopted the Sustainability Policy that guides the Company's business strategy, investment decisions and exercise of its ownership interests. As an owner, Aker Horizons is committed to ensuring that its portfolio companies have processes, solutions and products that are planet-positive and contribute to sustainable development, thereby providing long-term value creation for all stakeholders.

Aker Horizons aims to be an attractive employer and a preferred partner for business associates, as well as a respected member of society and corporate citizen. Aker Horizons' most important contribution to society is to solve fundamental problems relating to sustainable existence and create value by developing future-oriented companies that are run in a responsible manner. Sustainability and profitability are prerequisites for achieving these goals.

The operating portfolio companies each publish separate accounts of how they work in the areas of sustainability and ESG, and how they impact the external environment. Aker Horizons' annual report also describes in detail Aker Horizons and its portfolio's strategy, progress and performance with respect to sustainability. For further information, see the sections Sustainability Strategy and Sustainability Progress Report.

People

Aker Horizons relies on a specialized and highly-skilled organization. Attracting and retaining talented employees is therefore key to realizing the Company's goals and strategy.

By year-end 2022, a total of 977 employees worked for companies in which Aker Horizons was the main shareholder, compared to 1,174 employees at year-end 2021.The decrease reflects the sale of REC Silicon and Rainpower. The proportion of women employees increased from 27 percent to 35 percent across the portfolio of companies. The total workforce stood at 1,135 full-time equivalents (FTE), including all employees and contract staff, at year-end 2022.

Aker Horizons, including Aker Horizons Asset Development, consisted of 94 employees and 22 FTE contract staff at year-end 2022. In addition, Aker Horizons had five employees on long-term secondments across its portfolio companies (two men and three women). These employees are included in the headcount of the companies for which they work.

Aker Horizons employed 22 different nationalities in 2022. 32 percent of its workforce, excluding contract staff, were women. Compared to 2021, there has been a decrease in the percentage of women from 40 percent in 2021 to 32 percent in 2022. The Company will continue to focus on equality and diversity in 2023, and increase efforts to secure female candidates in all recruitment processes.

Aker Horizons embraces diversity and equal opportunities for all, and is strongly committed to building an inclusive environment for employees. Aker Horizons' Sustainability Policy commits the Company to ensuring equality, diversity and inclusion throughout its business. Aker Horizons does not tolerate any form of discrimination on the basis of, for example, gender expression, sexuality, disability, race or religious beliefs.

Throughout 2022, Aker Horizons launched several initiatives to ensure a diverse, equal, and inclusive work environment. Throughout the month of June, the Company held several diversity training sessions for its employees, in which several of the portfolio companies also participated. The sessions focused on, among other things, raising awareness and knowledge around unconscious bias and how to build a workplace that embraces and encourages diversity.

All Aker Horizons' new hires are onboarded and integrated into the Company's way of working. The Company provides mandatory training on sustainability and compliance. In addition, continuous industry insights sessions are offered to all employees on regular basis.

In September 2022, Aker Horizons' employees were invited to participate in the Company's employee engagement survey. Among a variety of topics, the survey addressed the work environment, discrimination, equality, and career opportunities. More than 90 percent of the Company's employees took the opportunity to give their feedback.

At Aker Horizons, employees are offered competitive compensation and reward, as well as varied career opportunities. There is a substantial amount of on-the-job training, contributing to knowledge-building and professional growth. There are also career opportunities across the wider Aker group of companies.

The Company offers its employees a flexible working model, with the opportunity to work from home and limited core hours. By providing flexibility, the Company aims to facilitate a favorable work-life balance.

Aker Horizons promotes ongoing dialogue between management and employee representatives in Aker and its portfolio companies. Aker Horizons and portfolio companies have participated in meetings with the Global Works Council (GWC), which includes labor union representatives from several Aker companies across the world.

Aker Horizons has a procedure for the protection of whistleblowers' rights, which sets out the required steps for reporting and handling whistleblower cases. It ensures all allegations are investigated and feedback provided to those whistleblowers whose identity is known. At the end of 2022, no cases related to discrimination or other violations of the Code of Conduct had been reported at Aker Horizons.

The health of Aker Horizons' staff is important, and the Company offers healthcare and insurance plans, a wellness program and access to an on-site fitness center. In addition, employees have access to an on-site health and wellness center, with access to a physician, health counseling, and medical treatment. In 2022, the total rate of absence due to illness at Aker Horizons, including Aker Horizons Asset Development, came to 1.29 percent.

Health, Safety, Security and Environment (HSSE)

Aker Horizons' Sustainability Policy lays out the foundations for the Company's approach to health and safety. This document describes Aker Horizons' commitment to ensuring a secure working environment that provides a basis for a healthy and meaningful working situation, and that affords complete safety from harmful physical and mental influences. Furthermore, Aker Horizons strives for zero harm and continuous improvement throughout the value chain.

All Aker Horizons's portfolio companies and business units manage their own health and safety. As an active owner, Aker Horizons sets clear expectations for high HSSE standards, including adequate work-related hazard identification, risk assessment, incident investigation, control and reporting routines. All of Aker Horizons' portfolio companies report to Aker Horizons on health and safety issues on a quarterly and annual basis. Aker Horizons expects its portfolio companies to extend the Company's high HSSE standards not only to their own employees and contractors, but to their business partners as well.

Aker Horizons' wholly-owned asset development arm, Aker Horizons Asset Development, has a separate HSSE policy, which describes its commitment and behaviors across operations. Furthermore, in 2022 Aker Horizons Asset Development built a management system according to ISO 45001 and 14001 to support its project development and future operations.

Aker Horizons' portfolio companies are industrial developers of green energy and infrastructure. They have established sound management systems and obtained certifications to mitigate risk, avoid serious incidents, control and close nonconformances, and report in pursuit of continuous improvement. A detailed description of management processes at the level of Aker Horizons' portfolio can be found in the section Management systems under Responsible business conduct in the Sustainability Progress Report.

No work-related fatalities were registered across Aker Horizons' portfolio companies in 2022. There were four work-related injuries (TRIs) reported among the Aker Horizons Group's employees, of which three were lost-time injuries (LTIs). Among contractors, there were nine work-related injuries, six of which were lost-time injuries (LTIs). Not included in the TRIs are First Aid Cases, which are tracked by Mainstream as per the industry standard, and amounted to five among employees and 12 among contractors and hired-ins.

The Company has established an emergency preparedness and response capability. Aker Horizons is connected to the Aker Global Security Operations Center. This core team of security professionals operates a 24/7 center, servicing all Aker group companies. Aker Horizons has adopted a crisis management plan and implemented RAYVN, a cloud-based system for managing critical events. The roll-out of the system includes introductory training sessions and desktop drills for key staff and management.

For further information, see the section on Health, safety and well-being in the Sustainability Progress Report.

Risks and risk management

Aker Horizons is exposed to financial risk, in addition to strategic, market and regulatory risk, legal and compliance risks, climate risk, and project and operational risks in the portfolio companies. If one or more of these risks materialize, it will impact the operations of the Company and may delay or even prevent the Company from reaching its goals and ambitions.

The Company has established a process to assess and monitor these risks, both at a group level and in relation to the portfolio companies' operations. In 2022, it adopted an enterprise risk management procedure. Risks and how they are managed are reported to Aker Horizons' Board on a regular basis. Mitigating actions are devised for key risks and their implementation is verified and monitored.

Aker Horizons considers risk assessment to be a natural part of all business operations and works continuously to identify and address risks. Management of project and operational risk lies primarily with the portfolio companies, but Aker Horizons monitors and follows up risk through regular dialogue with portfolio companies' managements and through participation on their boards.

Aker Horizons depends on functioning debt and equity markets to fund the growth of its portfolio and realize projects. Aker Horizons and its portfolio companies seek to reduce risk by maintaining a solid liquidity reserve, by proactively planning refinancing activities, and by diversifying sources of funding.

Developments in the global economy, particularly in energy and carbon prices, inflation and interest rates, affect the group's ability to secure and realize attractive projects, and influence the underlying value of Aker Horizons' assets. Immature technologies and supply chains pose a risk to securing bankable offtake agreements and project financing. Mainstream, which operates in growth markets with a high degree of market and regulatory uncertainty, is dependent on a favorable regulatory framework, in addition to its technologies and solutions being cost competitive to gain widespread market acceptance. Public policy engagement is a key element of risk management in this respect and involves contributing to public discussions on the best policies and measures needed to tackle climate change and energy market volatility.

Undertaking large and complex projects, including in emerging economies, Aker Horizons' portfolio companies are also exposed to project execution risk, dependency on key suppliers and sub-suppliers, as well as market-specific risks related to market design, grid infrastructure and permitting.

During 2022, Aker Horizons intensified its work related to the assessment of climate-related risks and their implications. As the Group's purpose is to develop green energy and green industry to accelerate the transition to net zero emissions, Aker Horizons' main transition risks are associated with the global ambition/implementation gap, and with the transition being implemented too slowly or incompletely. While there was a surge in new climate policy announcements in 2022, market risk increased, which may limit or delay the impact of policies, coupled with a rise in novel challenges relating to the speed of implementation. Succeeding with the energy transition requires a massive growth in energy generation assets, but also large investments in transmission and storage systems. Inadequate policy design and a non-synchronized development may delay the overall speed of the transition. Regional variations in ambition and implementation speed also pose the risk of capital and resources being allocated incorrectly.

For further information, as well as details on how Aker Horizons identifies and manages climate-related risks, see the TCFD assessment. For further information on Aker Horizons' work with risk management and internal control, see the report on Corporate Governance.

Outlook

2022 was a dramatic year for the energy sector. The Russian invasion of Ukraine triggered major disruptions to global energy and technology supply chains. On the back of the energy crisis came a stream of new policy announcements designed not only to address energy security and climate issues, but also to boost industrial competitiveness.

The Inflation Reduction Act (IRA) in the United States is a clear articulation of this. This comprehensive and ambitious package of legislation is expected to generate record growth in investments in renewables, clean tech and energy supply infrastructure in the next decade. Other countries, including Japan, India, China and Canada, have also introduced strong policy packages aimed at accelerating investments in clean energy in the years to come.

In response to the IRA, the EU unveiled the Green Deal Industrial Plan in February 2023. The plan aims to speed up the expansion of renewable energy and green technologies. and introduces a new production support scheme for green hydrogen, designed to have a similar impact as that of the IRA.

The industry did face headwinds in 2022, with supply chain constraints, inflation and interest rates slowing the development of renewables globally. Going into 2023, Aker Horizons expects a normalization of commodity prices, shipping rates and supply chains. Combined with increasing PPA prices, this normalization should lead to an improvement of the return profile of projects, which will in turn accelerate investments in renewables projects.

The favorable policy developments support a positive outlook for the energy transition towards 2030. According to the IEA, the world is set to add as much renewable power in the next five years as it did in the past 20. The increase is 30 percent higher than the IEA forecasted just a year earlier. According to these numbers, renewables are set to account for over 90 percent of global electricity expansion over the next five years. BloombergNEF (BNEF) expects clean power capacity additions to increase by at least 18 percent in 2023, reaching another all-time high of more than 450 GW.

Hydrogen is also benefiting from new policy schemes. The EU's target of 20 million tonnes of renewable hydrogen supply by 2030 is about twice the level of today's almost entirely natural gas-based hydrogen production, which poses both an energy security risk and is a source of significant CO_2 emissions. Reaching this target will also provide hard-to-abate sectors such as steel with clean and secure energy supply.

The outlook for the CCS industry has been strengthened by the strong incentives introduced in the US, which will notably create more opportunities for blue hydrogen. In the EU, the CCS industry has been bolstered by higher carbon spot prices, more bullish price forecasts and better protection against "carbon leakage"— the relocation of EU-based production (and associated emissions) to countries with less stringent climate policies — through the carbon border adjustment mechanism (CBAM). The new carbon border tax¸ which enters into force in 2026, requires that EU importers purchase CBAM certificates for each tonne of carbon emitted during production. Initially, it will cover imports of high-emitting carbon goods, such as aluminum, iron, steel, electricity generation, cement and fertilizers. Plans to extend it further are underway. The price of carbon will be aligned with the EU Emissions Trading System (ETS).

Amid the rapidly changing market environment, Aker Horizons will continue to focus on its core segments — renewables, carbon capture and hydrogen hubs — and keep progressing on prioritized projects, while maintaining financial discipline in investment decisions to preserve its solid liquidity position.

Fornebu, 17 March 2023
Board of Directors and CEO of Aker Horizons ASA

Øyvind Eriksen
Chair (non-independent)

Kjell Inge Røkke
Director (non-independent)

Lone Fønss Schrøder
Director (independent)

Lise Kingo
Director (independent)

Auke Lont
Director (independent)

Kristian Røkke
CEO

Board of Directors

Øyvind Eriksen
Chair (non-independent)

Øyvind Eriksen (born 1964) is President and CEO of Aker ASA and holds a law degree from the University of Oslo.

Mr. Eriksen has held several board positions in different industries, including shipping, finance, asset management, offshore drilling, fisheries, media, trade and industry.

Mr. Eriksen currently chairs several of the boards of the Aker group's industrial and financial businesses. In addition, Mr. Eriksen serves on the boards of a number of non-profit organizations, including the Norwegian Cancer Society, Accenture Global Energy Board and the World Economic Forum C4IR Global Network Advisory Board.

As of 31 December 2022, Mr. Eriksen holds 285,714 shares in Aker Horizons (excluding indirect ownership through his indirect holding of 219,072 shares in Aker ASA, the parent of Aker Capital, and 100,000 B-shares in TRG Holding AS), and has no stock options. Mr. Eriksen is a Norwegian citizen. He has been elected for the period 2021-2023.

Lise Kingo
Director (independent)

Lise Kingo (born 1961) is a professional board director, chair and public speaker. Ms. Kingo is an experienced senior executive with more than 30 years of experience from executive management, sustainability, climate, and responsible business conduct. She is former CEO of the United Nations Global Compact, and former Executive Vice President of Novo Nordisk A/S. She currently also holds board positions at Sanofi SA (France), Danone SA (France) and Covestro AG (Germany). Ms. Kingo is also chair of the Leonardo Centre for Business in Society, Imperial College London, and a member of the Advisory Board for Humanitarian and Development Aid at the Novo Nordisk Foundation.

Ms. Kingo holds a bachelor's degree in Religions and Ancient Greek Art from the University of Aarhus in Denmark, a bachelor's degree in Marketing and Economics from the Copenhagen Business School and a master's degree in Responsibility and Business Practice from the University of Bath in the UK. She is also certified as a director by INSEAD.

As of 31 December 2022, Ms. Kingo holds no shares in Aker Horizons, and has no stock options. Ms. Kingo is a Danish citizen. She has been elected for the period 2021-2023.

Board of Directors

Auke Lont
Director (independent)

Auke Lont (1958) is a professional board director, chair and former business leader. Mr. Lont's professional interest lies in electrification, directly and through green ammonia and hydrogen, to accelerate the decarbonization of industry. With 30 years of international experience, he has held board positions in Bane NOR, Spekter, Nova Naturgas and Gasunie. He has also chaired the Institute for Energy Technology (Halden) and served as a member of the Energy Transitions Commission. He is currently a director of the carbon offset company Carbon Limits Invest, .

Mr. Lont has extensive experience as a senior executive. He is a former CEO of Naturkraft AS, SVP Statoil (Equinor) Nordic Energy and CEO of Econ, an energy consulting company. From 2009 to 2021, he was CEO of Statnett SF when it embarked on a historic expansion of the Norwegian national grid.

Mr. Lont holds a bachelor's degree in Mathematics and a Master of Science in Econometrics from the Vrije Universiteit in Amsterdam. He was also awarded a scholarship from the Norwegian Ministry of Foreign Affairs and worked as a research assistant at the Norwegian School of Economics and Business Administration in Bergen.

As of 31 December 2022, Mr. Lont holds no shares in Aker Horizons, and has no stock options. Mr. Lont is a Dutch citizen. He has been elected for the period 2021-2023.

Kjell Inge Røkke
Director (non-independent)

Kjell Inge Røkke (born 1958) is Aker ASA's main owner. He 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.

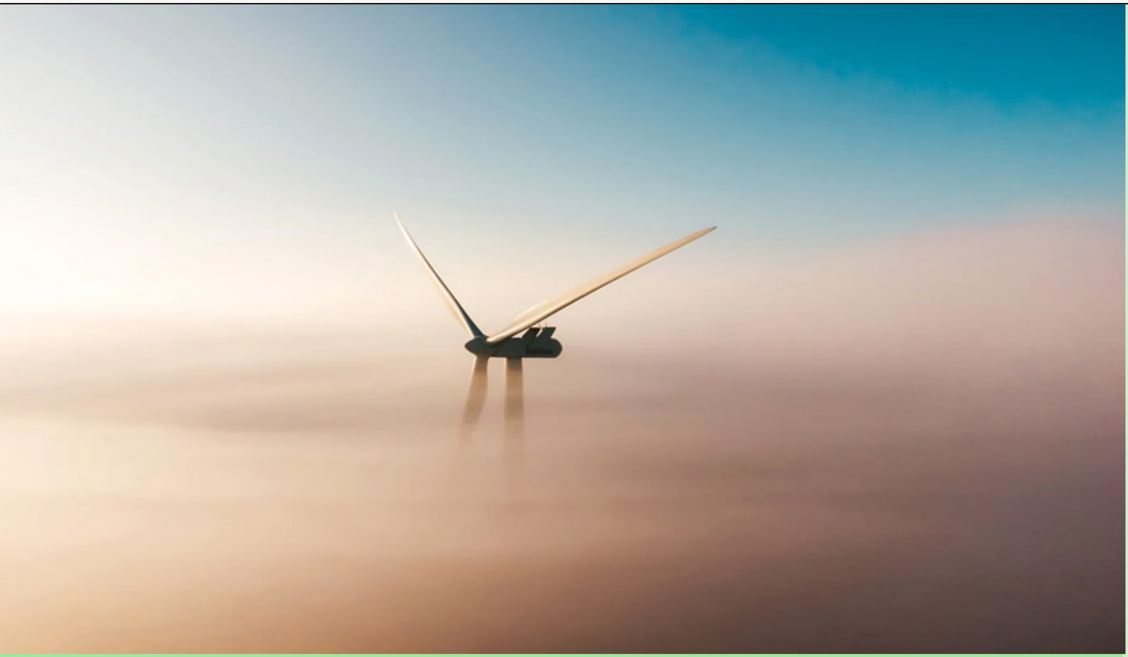
Mr. Røkke is currently chair of The Resource Group TRG AS, TRG Holding AS, and Aker ASA, as well as director of several companies, including Aker BP ASA, Aker Solutions ASA, Aker Horizons ASA, Aker BioMarine ASA, Cognite AS, SalMar Aker Ocean AS and Aker Mainstream Renewables AS.

As of 31 December 2022, Mr. Røkke holds no shares in Aker Horizons, and has no stock options. Mr. Røkke is the ultimate beneficial owner of Aker ASA (through its subsidiary Aker Capital), the Company's majority shareholder, and thereby holds a controlling indirect ownership interest in the Company. Mr. Røkke's son, Normann Eidsvig Røkke, owns 2,500 shares in Aker Horizons. Mr. Røkke is a Norwegian citizen. He has been elected for the period 2021-2023.

Lone Fønss Schrøder
Director (independent)

Lone Fønss Schrøder (1960) is an entrepreneur, business leader and advisor, and senior executive. She is also an experienced board director and chair. Her areas of expertise are digital transformation, new business models, corporate strategy, bank and capital markets, sustainability and blockchain technology. Ms. Fønss Schrøder is currently vice-chair of Volvo Cars AB and chair of its audit committee, and a director of Geely Sweden Holdings AB and Ingka Holding B.V. (Ikea Group). Ms. Fønss Schrøder has more than 30 years of international senior executive experience in the A.P. Møller-Maersk group and Wallenius Lines AB. She is an experienced director with current or former board positions in companies like Akastor ASA, Aker Solutions ASA, Queen's Gambit Growth Capital (SPAC), Geely Sweden Holdings AB and CSL Group, Inc. Ms. Fønss Schrøder holds two master's degrees: a Master of Law (LL.M.) from the University of Copenhagen, and a Master of Science in Economics and Business Administration from Copenhagen Business School. She has also studied aviation and insurance law at the Polytechnic of Central London (now University of Westminster), blockchain at MIT Sloan School of Management, and management at IMD Business School.

As of 31 December 2022, Ms. Fønss Schrøder holds no shares in Aker Horizons, and has no stock options. She is a Danish citizen. She has been elected for the period 2021-2023.



Aker Horizons' Approach to Sustainability

This section introduces Aker Horizons' work on sustainability from a strategic, forward-looking perspective. The section touches upon the policy, ambitions and strategy, and external commitments, that underpin Aker Horizons' sustainability ambitions, as well as the materiality assessment that guides and informs our work.

Aker Horizons' Sustainability Policy

Aker Horizons is dedicated to developing green energy and green industry to accelerate the transition to net zero emissions. The Company's aim is to reduce greenhouse gas emissions and promote sustainable living, while providing substantial value creation over time through active ownership. This is reflected in the company's policies, ambitions and strategy, which are embedded at the highest levels of governance in the organization.

Aker Horizons' Sustainability Policy is approved by the Board of Directors, and governs environmental, social and governance (ESG) aspects of Aker Horizons' own performance and investment decisions, as well as its role as an owner of companies. The policy has been developed to meet all relevant regulations and expectations, including the Norwegian Transparency Act, which came into force in 2022.

The following frameworks are core to Aker Horizons' Sustainability Policy and guide how Aker Horizons defines planet-positive impact and integrates sustainability in its work:

- The UN Sustainable Developments Goals and the UN Global Compact SDG implementation framework
- The nine planetary boundaries as defined by the Stockholm Resilience Center
- EU's Sustainable Finance Package, including the EU Taxonomy Regulation, the Sustainable Finance Disclosure Regulation and the Corporate Sustainability Reporting Directive
- The OECD Guidelines for Multinational Enterprises and the UN Global Compact[1]
- The Task Force on Climate-Related Financial Disclosure

The Sustainability Policy lays the foundations for Aker Horizons' incorporation of sustainability considerations into its activities, to ensure sustainable and responsible business practices. The policy is structured around four key topics: Planet-positive impact, Respect for people, Prosperity for all and Good governance. The Sustainability progress report follows the same structure.

For Aker Horizons, it is important that the Company's employees are well acquainted with the Sustainability Policy and its contents. Aker Horizons' employees are offered sustainability onboarding that covers a walk-through of the policy. This is currently in the process of being expanded to the employees of Aker Horizons Asset Development, following the merger between Aker Clean Hydrogen and Aker Horizons in 2022.

For further details on the policy's content and commitments, please see the Aker Horizons' Sustainability Policy, which is available on Aker Horizons' website.

In addition to the Sustainability Policy, Aker Horizons has an anti-corruption policy and a Code of Conduct that relate specifically to ethical business practices and compliance with laws and regulations. Furthermore, in 2022, Aker Horizons developed and adopted a Business Partner Code of Conduct, which set out minimum standards for business practices, as well as joint ambitions on central environmental, social and governance (ESG) topics. The Business Partner Code of Conduct has been developed as a foundation for engagement with various groups of business partners, including but not limited to, suppliers, customers, service providers, joint venture partners or other persons engaging in business with members of the Aker Horizons group.

Both the Code of Conduct and the Business Partner Code of Conduct are available on Aker Horizons' website.

[1] *Since 2021, Aker Horizons has been committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor rights, the environment, and anti-corruption.*

Aker Horizons' Strategy for Achieving Sustainability Impact

Aker Horizons takes a multidimensional approach to sustainability impact, which is reflected in all aspects of the company's sustainability work. The company's strategy focuses on maximizing positive impacts by expanding activities and prioritizing sustainability impact when assessing projects and making investment decisions. At the same time, the company strives to minimize the footprint of such expansion and requires that account be taken of potential and actual negative impacts across an array of sustainability topics. Aker Horizons' main focus is to find solutions that drive decarbonization globally, while simultaneously taking concrete steps to mitigate adverse impacts by safeguarding nature, ensuring social safeguards, and exploring low-carbon and circular solutions in its own value chain.

Sustainability impact and the Sustainable Development Goals

As a company that develops green energy and green industry to accelerate the transition to net zero emissions and promote sustainable living, Aker Horizons assumes a role and responsibility in delivering on the UN Sustainable Development Goals (SDGs). Companies that integrate these common goals into their business operations, strategy and targets not only provide sustainable value for all stakeholders, but are also more resilient and better positioned in the market and for future opportunities.

Aker Horizons recognizes the importance of all 17 Sustainable Development Goals and aspires to contribute to all of them. However, Aker Horizons prioritizes eight SDGs in which its investment philosophy is anchored.

Levers for sustainable impact

Aker Horizons realizes its sustainability ambitions at multiple levels of its work. The company is an owner of industry-leading companies driving decarbonization and sustainable development, a developer of projects converting renewable energy into clean hydrogen and its derivatives, and an investor looking to identify new opportunities that contribute to Aker Horizons' mission of being planet-positive. As a result, Aker Horizons' sustainability impact can be realized via two main levers:

Business development and investments

Responsible value creation and sustainability are at the core of Aker Horizons' investment strategy. The Company's main guiding document in this respect is its Sustainability Policy. A key task when assessing any investment opportunity is to establish how the opportunity contributes to Aker Horizons' planet-positive mission and subsequently to identify any adverse impacts it may have. This approach improves the resilience of Aker Horizons' portfolio investments and ensures the ultimate positive impact on people and the planet. The investment approach is designed to ensure that Aker Horizons invests in companies with a planet-positive core business, which operate in a responsible manner and whose business development model incorporates a strategy for sustainable growth.

Active ownership

The Sustainability Policy guides Aker Horizons' behavior as a company and employer, and as an owner of companies. Aker Horizons seeks to engage with its portfolio companies to ensure long-term value creation. As an active owner, Aker Horizons strives to incorporate sustainability aspects into ownership practices and monitors the performance and progress of portfolio companies through formal reporting (quarterly and annually), as well as through continuous dialogue. Aker Horizons strives to ensure that the companies it develops and owns:

- Have a mission to solve fundamental challenges to sustainable existence
- Have clear, forward-looking ambitions and a strategy that ensures real planet-positive impact
- Have sustainability-related guidelines, processes and controls in place
- Perform sustainability and climate scenario risk analyses, and monitor their own performance
- Transparently report on ESG issues and engage with all relevant stakeholders

Ambitions for Planet-positive Impact

Aker Horizons has set ambitious and time-bound strategic goals for its positive impact through the expansion of planet-positive activities. Below are the ambitions the Company has set for 2025 and the progress made towards achieving them in 2022. For details on the calculation method for these ambitions, please see the section Transparent Reporting.

100+

bn NOK in green investments[1]

Aker Horizons and its portfolio has originated NOK 24.7 billion in green investments

This amounts to 25 percent of Aker Horizons' 2025 green investment ambition

Progress is primarily driven by Mainstream Renewable Power (88 percent)

25%

10GW

in renewable energy capacity

Aker Horizons' portfolio has 1.58 GW of renewable power capacity (both in construction and operation)

This amounts to 16 percent of Aker Horizons' 2025 renewable power capacity ambition

Progress is solely driven by Mainstream Renewable Power

16%

-25 Mt

CO_2e p.a. emissions reduction[2]

Aker Horizons' portfolio of secured projects contributes to annual emissions reductions of 2.62 million tonnes of CO_2e

This amounts to 10 percent of Aker Horizons' 2025 emissions reduction ambition

Progress is driven by the development in Mainstream Renewable Power's (81 percent) renewables portfolio, and Aker Carbon Capture's (19 percent) CCS contract awards

10%

1. *Measuring total capital investments, projects in operation and construction and annual emissions reduction from projects in operation and construction respectively (as defined by Aker Horizons' accounting policy), originated by Aker Horizons Group companies, before sell-downs. For other projects, Aker Horizons Group companies' pro rata share of projects has been applied.*

2. *The 25 Mt CO_2e ambition consists of two main elements: 10 Mt CO_2e of emissions reductions enabled through CCUS and ~15 Mt CO_2e from avoiding emissions in electricity generation. Both elements include Aker Horizons' projects in operation and in construction (as defined by Aker Horizons' accounting policy) – taking into account an expected/estimated/observed capacity factor. The approach is based on the current draft of the GHG Protocol and may be updated in the future.*

Ambitions for Minimizing Footprint

As part of the commitment to reaching Net Zero, Aker Horizons has also set ambitious goals for minimizing its carbon footprint before 2025. Below, the ambitions and the progress towards achieving them are presented. Since 2021, Aker Horizons has revised its carbon accounting methodology to account for the main portfolio companies' emissions as Aker Horizons' own, in accordance with the Financial Control approach of the Greenhouse Gas Protocol. This method for carbon accounting is in line with the financial accounts. For further details on the calculation method, please see the section Transparent Reporting. The ambitions have not yet been updated according to the new accounting approach, as setting relevant science-based targets is on the Company's agenda for 2023. For this reason, progress towards the ambitions is not measured.

Scope 1

Absolute Zero

Scope 1 emissions are direct emissions from owned or controlled sources, and Aker Horizons' original ambition is absolute zero emissions from 2020

While Aker Horizons' own operational Scope 1 emissions are zero, the accounting adaptation has led to the financially consolidated Scope 1 to be 771.90 tonnes CO_2e

Scope 2

100%

Powered by renewable energy

Scope 2 emissions are indirect emissions from the generation of purchased energy

Aker Horizons' original ambition is to reach 100 percent renewable energy purchased

While Aker Horizons' own operational energy use was 99 percent renewable (location-based) , the accounting adaptation requires a change. The financially consolidated Scope 2 emissions were 5,576 tonnes (location-based) or 5,690 tonnes (market-based). Overall energy consumption was 17 percent renewable, but this figure includes both Scope 1 and Scope 2.

Scope 3

100%

Portfolio commitment to both Net Zero and SBTi[1]

Scope 3 emissions are all indirect emissions that occur in the value chain of the reporting company, including investments[1]

Aker Horizons' original ambition is for 100 percent of portfolio commitment to have a commitment to Net Zero and/or the Science-Based Targets initiative.

All of Aker Horizons' financially-consolidated portfolio companies have a Net Zero commitments, but none have approved Science-Based Targets in place yet.

Aker Horizons' financially consolidated Scope 3 emissions were 21,462 tonnes (location-based) or 21,476 tonnes (market-based).

1. Under the financial control approach, only investments that are not financially controlled (and consolidated in the financial accounts) may be included in Scope 3. Under the equity share approach, investments where the reporting company has neither financial control nor significant influence over the emitting entity (and typically has less than 20 percent ownership) are included in Scope 3.

Ambitions for Profitable Growth

Aiming to deliver attractive returns to shareholders

Aker Horizons aims to deliver a total shareholder return[2] in excess of 15 percent over the business cycle. Project returns exceeding the cost of capital and capital recycling for its portfolio companies are set to deliver part of the shareholder return target, while incubation of new platforms, business development and M&A are set to make up the remaining part of Aker Horizons' return target.

Impactful investments in decarbonization projects

Ambition to invest NOK 100 billion in green investments by 2025.[3]

Moderate net debt to net asset value

Targeting a net loan to value (LTV) within investment grade levels[4] through the cycle.

Dividend ambition

Aker Horizons has a clear long-term ambition to become a dividend-yielding company. To reach its global decarbonization ambitions and build scale at the operational level, Aker Horizons will, in the short term, prioritize growth over dividends. Building scale will enable self-sustained growth alongside dividend capacity, and is consequently seen as critical to maximizing shareholder value ahead of the initiation of dividends from portfolio companies.

[2] Shareholder return calculated as increase in NAV plus dividends
[3] Total capital investments originated by Aker Horizons Group companies, before sell-downs. For other projects, Aker Horizons Group companies' pro rata share of projects
[4] Net LTV below 35%

External Commitments and Initiatives

Aker Horizons has committed to several sustainability initiatives. External commitments and initiatives help to anchor sustainability ambitions within the organization, guide sustainability governance and implementation, and send a strong external signal of commitment. Aker Horizons continuously considers commitments and initiatives that are best adapted to the reality and needs of the company, to reflect its sustainability ambitions as well as its strategy and sustainability impact levers.

UN Global Compact
Aker Horizons is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor rights, the environment and anti-corruption.

Sustainable Ocean Principles
In 2022, Aker Horizons became a signatory of the Sustainable Ocean Principles of the UN Global Compact Ocean Stewardship. The principles build upon and supplement the Ten Principles of the United Nations Global Compact, and highlight the company's commitment to healthy and productive oceans.

The Carbon Disclosure Project (CDP)
2022 disclosing company
In 2022, Aker Horizons reported to the CDP initiative for the first time, and received a rating of A-. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions, which helps them to manage their environmental impacts. It is one of the most important global initiatives for disclosures on climate-related impact, strategy, risks and opportunities.

Race to Zero
Business Ambition for 1.5°C
Aker Horizons has been committed to the Science Based Targets initiative (SBTi) since the beginning of 2022. Due to the changes to Aker Horizons' carbon accounting methodology in 2022, the process of developing and submitting targets for approval has been put on hold and is planned to be reinitiated in 2023.

By committing to the Science Based Targets initiative and establishing the ambition to set long-term science-based targets to reach net zero and align its business with a 1.5°C future, Aker Horizons is also recognized as part of the Business Ambition for 1.5°C and the Race to Zero campaigns.

> "I hereby express Aker Horizons' continued commitment to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labor, the environment and anti-corruption."
>
> **Kristian M. Røkke,**
> **CEO of Aker Horizons**

Materiality Assessment

Materiality assessment as a building block

The materiality assessment is a key building block in Aker Horizons' planet-positive work. It enables the Company to stay up to date on sustainability, corporate strategy and risk management issues by providing insight into current business trends, stakeholders interests, and potential risks and opportunities to Aker Horizon's business. By focusing its sustainability work on material issues, Aker Horizons gains a comprehensive insight into the Company's impact, both actual and potential, and maximizes its positive impact on the environment and society.

While stakeholder engagement and materiality assessment are continuous processes at Aker Horizons, material topics are reviewed annually to ensure that they accurately reflect Aker Horizons' current business situation.

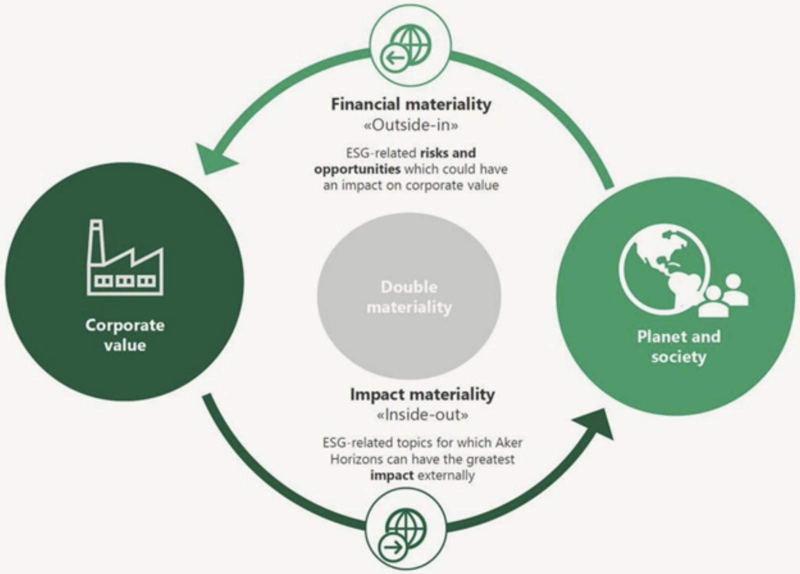
At the end of 2022, Aker Horizons conducted an independent sustainability materiality assessment, which included the activities of its portfolio companies. The materiality assessment has been conducted as described in the new EU requirements under the upcoming Corporate Sustainability Reporting Directive (CSRD).

Preparing for emerging regulation

The EU's upcoming Corporate Sustainability Reporting Directive (CSRD) introduces mandatory reporting according to the European Sustainability Reporting Standards (ESRS). Aker Horizons will be obliged to report in accordance with the ESRS in 2025 for the reporting year 2024. In the process of preparing for the reporting requirements under the EU's CSRD, Aker Horizons decided to conduct its materiality assessment in accordance with the upcoming regulations. The adopted approach follows the concept of double materiality.

Double materiality - two interrelated dimensions of materiality

Currently, the CSRD has refined the concept of sustainability materiality by introducing "double materiality". Double materiality acknowledges that businesses should assess both the risks and opportunities linked to ESG topics that can influence enterprise value creation ("outside-in") and the ESG impacts that a company can have on the planet and society ("inside-out"). Impact materiality and financial materiality assessments are interrelated and Aker Horizons has considered the interdependencies between these two dimensions of its impacts in the process of materiality assessment.



Materiality process and approach

The materiality assessment process was based on a four-step approach: Identifying impacts, risks and opportunities, prioritizing topics, validating and approving material topics and implementation. The process was conducted by an independent party with a series of internal workshops and interviews, and was informed by internal and external sources, such as portfolio companies, stakeholder engagement, and external benchmarking. While gathering feedback and insight from stakeholder engagement, Aker Horizons considered two groups of stakeholders: affected stakeholders and users of sustainability statements. For detailed information on Aker Horizons' stakeholder engagement in 2022, please see the table in the Appendix.

The process incorporated input from a wide variety of internal functions, including Sustainability, Communications and External Relations, Risk, Finance, Investor Relations, People and Organization, Investments, and Insights and Market Analysis. The outcome of the analysis was validated internally by the Risk and Sustainability functions and approved by the CFO and CEO as well as submitted to the Audit Committee.

The following list of material topics emerged from the materiality assessment's application of the double materiality concept (both impact and financial). The Sustainability Progress Report presents material topics from the perspective of their impact. Financial materiality, highlighting ESG risks and opportunities that could potentially impact Aker Horizons' corporate value, is reflected in the Board of Directors' Report.

Aker Horizons’ Material Topics

	Material topic	Impact materiality	Financial materiality	How Aker Horizons understands the topic
Planet	Climate change	High	High	Mitigating and adapting to climate change through climate risk management and carbon capture technologies.
	Energy	High	High	Using energy responsibly and investing in renewable energy production and technologies.
	Biodiversity	High	Medium	Minimizing adverse impacts on biodiversity in supply chains and own operations.
	Circular economy	Medium	Low	Sound resource utilization in our supply chains and realization of the circular economy.
People	Human and labor rights	High	High	Respecting human and labor rights, and protecting vulnerable individuals and groups of people affected by our business.
	Health, safety and well-being	High	High	Working systematically for health, safety and well-being while striving for zero harm and continuous improvement throughout the value chain.
	Diversity, equality and inclusion	Medium	Low	Building a diverse and inclusive workforce focusing on equal opportunities.
	Talent attraction	Low	High	We rely on a highly specialized workforce, and recruiting and retaining skills and talent is of particular importance to us.
Prosperity	Local communities	High	Medium	Building trust among the local communities in which we operate. We support local, cultural and welfare initiatives.
Governance	Responsible business conduct	High	High	Acting responsibly in all areas of business. Protecting whistleblowers, avoiding corruption and bribery, and promoting a responsible corporate culture.
	Public policy engagement	Medium	High	Engaging with regulators to share knowledge, showcase available technology solutions to reduce emissions, and communicate the need for efficient support schemes for solutions that are initially dependent on government support.

Low Medium High

Sustainability Progress Report

Aker Horizons has high ambitions for its business and portfolio companies within the area of sustainability. This section takes a deep-dive into the 2022 status and progress of sustainability in Aker Horizons and its portfolio.

This section presents four overarching topics, based on the World Economic Forum's (WEF) Stakeholder Capitalism Metrics: Planet-positive impact, Respect for people, Prosperity for all and Good governance. It also reflects on Aker Horizons' material topics. In addition to presenting progress across these four main topics, this section also contains individual sustainability summaries for the Aker Horizons Group companies, a one-page summary of the portfolio-wide status of the Principal Adverse Impact Indicators, and an EU Taxonomy assessment of Aker Horizons' investments.

For more information about the scope of the sustainability data collected and presented, and the methodologies used, see the section Transparent Reporting.

Planet-Positive Impact

Aker Horizons is dedicated to developing green energy and green industry to accelerate the transition to net zero emissions. Understanding the impact of Aker Horizons and its portfolio companies on the climate and environment is viewed as key not only to understanding and minimizing adverse impacts, but as a guide to our efforts to contribute positively to sustainable development.

In this chapter, four material topics have been identified for Aker Horizons:

- Climate change
- Energy
- Biodiversity
- Circular economy

Climate change

Aker Horizons' overall business and strategy is founded on a commitment to create a planet-positive impact by developing green energy and green industry. This is anchored in a motivation for climate action and a drive to accelerate the achievement of Net Zero.

Aker Horizons' approach and performance

2022 marked another year of stark climate warnings. The UN Secretary General went as far as stating that we are "on a highway to hell" if further action on climate change mitigation is not immediately implemented.[5] Aker Horizons is committed to addressing its climate impact and climate-related risk, both through strategic ambitions for the expansion of planet-positive activities and goals for reducing emissions from our activities.

Aker Horizons' strategy for value creation is centered around developing and accelerating solutions that lead to the decarbonization of society. The company has a specific focus on hard-to-abate industries, by focusing on renewable energy and electrification, carbon capture and hydrogen.

Governance

Aker Horizons' commitment to climate action is embedded in the company's governing structure and is reflected in its Board-approved Sustainability Policy. In this governing document, the commitment to scaling and commercializing climate solutions is set out. In accordance with its Sustainability Policy, Aker Horizons is committed to organizing its business activities such that its associated emissions are in line with the UN Framework Convention on Climate Change (Paris Agreement) and the 1.5-degree trajectory.

Aker Horizons has active Board oversight of climate-related matters, and the Company's Audit Committee is mandated to oversee the management of sustainability and climate risks and opportunities, key performance indicators, and their relevance to corporate performance. Once a year, management presents the Audit Committee with the latest climate-related financial analysis, sustainability and climate risk materiality assessment, stakeholder analysis and mitigating actions being undertaken by the Company.

[5] *Stated at the annual UN Climate Change Conference, COP27*

Decarbonizing cement through carbon capture

To reach the targets of the Paris Agreement, carbon capture and storage must be part of the solution, according to the Intergovernmental Panel on Climate Change (IPCC). Aker Carbon Capture's ambition is to secure contracts to capture 10 million tonnes of CO_2 by 2025. To achieve this, the company currently has four prioritized market segments: cement production, bio- or waste-to-energy generation, gas-to-power and blue hydrogen. The cement industry alone accounts for 6-7 percent of global CO_2 emissions, from more than 2,000 plants in about 150 countries around the world.

Aker Carbon Capture is supplying the world's first large-scale CCS plant applied to cement production at Norcem Heidelberg Materials' facility in Brevik, Norway. This plant will be completed in 2024 and capture 400,000 tonnes CO_2 per year. This is the first of Aker Carbon Capture's Big Catch™ plants, which are custom-made, large-scale solutions that are integrated into the customers' production facilities. Aker Carbon Capture was selected for the Brevik project by Heidelberg following the Norwegian government's funding support and launch of the Longship CCS project in 2020, which Brevik CCS is part of. The Longship project is the largest ever climate project undertaken by Norwegian industry, and involves developing a full CCS value chain, including transportation and storage, through the Northern Lights project.

Rjukan as a frontrunner project within green hydrogen

Within its wholly-owned Asset Development business unit, Aker Horizons originates and develops industrial-scale hydrogen projects to meet growing demand for the decarbonizing of energy-intensive, hard-to-abate industries. Initial focus areas include green ammonia, green methanol and green iron.

The green hydrogen project in Rjukan in Norway is an important frontrunner in Aker Horizons Asset Development's portfolio, serving as a blueprint to de-risk Aker Horizons' larger projects, such as Narvik, technically, financially and commercially.

The 40 MW hydrogen project (20 MW in the first phase) aims to serve industry and transport in the south-east of Norway with clean hydrogen. The facility will utilize existing infrastructure and industrial land, which will enable an early start up due to available power at the site. The first phase of the project has a planned Commercial Operation Date in 2025. Discussions Discussions with potential offtakers matured during 2022, and the company is targeting a final investment decision in 2023.

Greenhouse gas emissions

Through the activities of the Aker Horizons Group, solutions are provided to a wide range of sectors, including hard-to-abate sectors like steel or cement, to reduce their emissions and reach their net zero ambitions. Scaling those solutions is critical in the global Race to Zero. Aker Horizons Group companies have currently secured projects set to reduce global annual emissions by 2.62 million tonnes of CO_2e, through a mix of expanding renewable energy and carbon capture. For further information, see the section Ambitions for planet-positive impact.

Simultaneously, Aker Horizons and its portfolio companies must track and report their own emissions. As an active owner, Aker Horizons engages with all its portfolio companies to ensure that the greenhouse gas (GHG) emissions for Scope 1, 2, and partly 3 are calculated and reported, and that the companies have set GHG emission-reduction ambitions. To monitor and track portfolio progress, Aker Horizons has been working in 2022 to improve consistency in GHG emission reporting across the portfolio, and will continue to do so in 2023. The table below summarizes Aker Horizons' 2022 emissions. For further information about methodology and assumptions, see the section Transparent reporting.

Greenhouse gas emissions of the Aker Horizons Group

	Aker Horizons Group (tonnes CO_2e)
Scope 1	772
Scope 2: Location-based	5,576
Scope 2: Market-based	5,690
Scope 3: Location-based	21,462
Scope 3: Market-based	21,476
Total: Location-based	**27,810**
Total: Market-based	**27,938**

The method used to calculate GHG emissions in 2022 was an improvement on that used in 2021. As a result, financially-controlled investees are now included in Aker Horizons' own emissions (Scopes 1-3 line by line). Equity accounted investees are included in Aker Horizons' Scope 3 Category 15 - Investments. The vast majority of Aker Horizons' Scope 1 and 2 emissions take place in Mainstream Renewable Power's operations (98-100 percent for each line item). The emissions include consumption of diesel and petrol as well as some leakage of SF-6 gas. In Scope 3, there is some divergence in the categories reported by each company. For instance, in 2022 only Aker Carbon Capture reported on Scope 3 Category 1 - Purchased goods and services. For further details about the calculation approach and the categories of Scope 3 included, see the section Transparent Reporting. Aker Horizons has chosen not to have its 2022 carbon accounts audited, due to the remaining methodological gaps. Instead, it has focused its efforts on ensuring data completeness and internal controls for audit in 2023.

For the purpose of comparison with previously reported figures, the operational emissions of Aker Horizons Holding and Aker Horizons Asset Development for 2022 in isolation (i.e. notwithstanding other financially-controlled entities or investments) are as follows:

Greenhouse gas emissions of Aker Horizons Holding and Aker Horizons Asset Development

	Aker Horizons Holding (tonnes CO_2e)	Asset Development (tonnes CO_2e)	Total (tonnes CO_2e)
Scope 1	0	0	0
Scope 2: Location-based	3	2	5
Scope 2: Market-based	75	46	121
Scope 3: Location-based	201	185	386
Scope 3: Market-based	201	185	386
Total: Location-based	204	186	390
Total: Market-based	276	230	506

Setting goals for emissions reductions

As a developer of green projects, Aker Horizons and its portfolio companies must also reduce the footprint of their own operations, and cut emissions in line with the Paris Agreement.

Aker Horizons has been committed to the Science Based Targets initiative (SBTi) since the start of 2022. Due to the changes in the Aker Horizons Group's carbon accounting methodology for 2022 mentioned above, the process of developing and submitting targets for approval has been put on hold. The ambition is for this to be reinitiated in 2023. By committing to the Science Based Targets initiative and establishing the ambition to set long-term science-based targets to reach net zero and align its business with a 1.5°C future, Aker Horizons is also recognized as part of the Business Ambition for 1.5°C and the Race to Zero campaigns.

Engagement with business partners and suppliers

For Aker Horizons and its portfolio companies, most of emissions associated with operations will occur in the extraction and production of the materials used. While this work is still at an early stage, the Aker Horizons Group is taking concrete steps to explore measures for supplier engagement and emissions reduction.

In 2022, Aker Horizons developed and implemented the Business Partner Code of Conduct, and all other companies in the Group have, or are in the process of, adopting equivalent standards. These standards describe what Aker Horizons expects its business partners to do to establish climate and emission reduction targets, to establish methodologically-sound carbon accounting procedures and report openly on progress, to use renewable power and improve energy efficiency, and to find lower-carbon alternatives for products and services. For further information, the document can be accessed on Aker Horizons' website.

Aker Horizons has set an ambition for 100 percent of its portfolio to commit to at least one sectoral commitment of the First Movers Coalition by 2025. The First Movers Coalition is a buyers' club set to fast-track the development of emerging green technologies, initiated by the World Economic Forum and US Special Presidential Envoy for Climate John Kerry. Aker ASA, the majority-owner of Aker Horizons, is a founding member and will work together with some of the world's largest companies to create predictability around demand for sustainable and low-carbon materials and products. Over the coming years, Aker Horizons will actively engage and collaborate both with the companies in the Aker group and with external parties to unlock green supply chains and scale emission solutions that will enable industries, especially hard-to-abate ones, to reach their net zero ambitions.

Research and development

Aker Horizons and its portfolio have a strong focus on research and development. Addressing the crises the world faces today requires new thinking and new technologies. The total spent on research and development in 2022 across the portfolio was NOK 553 million. This figure includes all non-capitalized project costs relating to research and development, since this spend is crucial for de-risking and commercializing novel technologies for the green transition[6].

Transparent reporting

Aker Horizons strongly supports taking a transparent and data-driven approach to climate change mitigation (as well as other sustainability topics). In 2022, Aker Horizons reported to the Carbon Disclosure Project (CDP) initiative for the first time, and received a rating of A-. CDP is a not-for-profit charity that runs the global disclosure system for investors, companies, cities, states and regions, to help them manage their environmental impacts. It is one of the most important global initiatives for disclosures on climate-related impacts, strategy, risks and opportunities. For further information about Aker Horizons' climate-related risks and opportunities, see the TCFD assessment.

Participation at COP27

In November 2022, Aker Horizons joined world leaders in Sharm El Sheikh for COP27, the annual UN Climate Change Conference. Aker Horizons was a main partner of the pavilion in the Blue Zone[7] hosted by Bellona, together with the Norwegian Ministry of Foreign Affairs and the Sahara Forest Project. For Aker Horizons, COP represents an important arena for engaging with and learning from key stakeholders, as well as showcasing the solutions of the Aker Horizons Group to a relevant audience. The conference is a unique setting where a multitude of stakeholders that are engaged in climate action are gathered – including, but not limited to, government representatives, businesses, organizations and indigenous people.

Aker Horizons focused on three key themes at COP27: the energy transition, decarbonizing hard-to-abate industries and hydrogen solutions. These themes guided the panels that Aker Horizons organized at the Bellona Pavilion and the choice of external panels and events the Company's representatives participated in. Beyond these main topics, representatives participated in and learned from sessions on topics ranging from indigenous-led clean energy, diversity in the green transition, sustainable financing and the just transition.

Since its inception, COP has evolved from a more narrow focus on negotiations between governments and national goal settings, to greater private-sector engagement, broader policy coordination and a focus on tracking and implementation. Implementation was also the headline for this year's COP. Engagement from business, finance and sub-national governments was high, with significant initiatives launched on the sidelines of the formal negotiations.

Aker Horizons provides solutions to some of the central challenges that the climate negotiations must address, and the Company's approach to developing green industrial hubs centered around cheap renewable power and clean hydrogen attracted the interest of stakeholders. CCUS featured prominently on the agenda at COP27, providing Aker Carbon Capture with numerous opportunities to showcase its technology solutions and projects, especially in relation to hard-to-abate industries and the scaling up of hydrogen production.

During COP27, the First Movers Coalition (FMC) announced that its 65 member companies have made purchase commitments for green technologies to decarbonize the cement and concrete industry and other hard-to-abate sectors worth USD 12 billion in 2030. Aker Horizons and Aker Carbon Capture took part in FMC's announcement. Furthermore, Mainstream supported the launch of industry initiatives during COP27, such as the Global Offshore Wind Alliance and Asia Clean Energy Coalition.

For further information on Aker Horizons' public policy engagement, see the section dedicated to this topic.

[6] *Capitalized cost related to research and development is not included here, but may also be considered in the total R&D spend.*
[7] *The Blue Zone is the UN-managed space that hosts the negotiations, access to which is restricted to attendees accredited by the UNFCCC Secretariat*

Research and development for improving the performance and competitiveness of carbon capture

The carbon capture, utilization and storage (CCUS) market has developed significantly over the last couple of years. This has, in part, been driven by a rapid increase in the EU carbon price which has has generated increased demand for the technical performance of carbon capture plants. Paired with energy efficiency and cost, these are the most important elements in the competitiveness of carbon capture solutions. In 2022, Aker Carbon Capture had an increased focus on developing concepts and solutions to increase the energy efficiency of their process, including advanced heat integration in the process with waste heat recovery at the host facility.

Aker Carbon Capture has, in collaboration with SINTEF, successfully tested its solvent portfolio on flue gases with CO_2 concentrations ranging from 4-13 percent and at capture rates of 90 percent and 95 percent. The results show that Aker Carbon Capture's technology can comfortably achieve high capture rates without being penalized by a significant increase in energy consumption. Even at low CO_2 concentrations, the energy increase was less than 5 percent when going from a capture rate of 90 percent to 95 percent.

Aker Carbon Capture has also developed a standardized, modular product, Just Catch™, with the capacity to capture 100,000 tonnes per year. The principles behind this solution are now being applied to the development of future-proof modular Big Catch™ designs, which will allow for up to a CapEx reduction of 50 percent.

Performance commentary

Aker Horizons is pleased to see that its solutions are benefiting from increasing demand, and have great potential to contribute to the decarbonization of industry. The Company further observed progress in the pipeline of projects under development, as well as those under construction, in areas such as renewable energy, the maturing of carbon capture projects that break new ground in pursuit of decarbonization, and the development of concepts for hydrogen value chains.

For further information on the progress of the Aker Horizons Group towards its strategic objectives and the performance of the individual companies, see the Board of Directors' Report.

Simultaneously, Aker Horizons progressed its efforts to track and report its carbon emissions, and has taken the first steps towards engaging with its supply chain to address the broader footprint of its activities. Moreover, Aker Horizons continued to strengthen its engagement with relevant stakeholders, notably through its participation at COP27 in Egypt.

Going forward

Aker Horizons will continue to progress impact and climate mitigation projects, and take steps to remain at the forefront of solutions for the decarbonization of industry.

Furthermore, Aker Horizons will focus on both mapping and taking steps to reduce emissions in its own operations and value chains. All the companies in the Aker Horizons Group have a stated ambition of reducing the climate footprint of their own activities. Aker Carbon Capture aims to reduce the carbon intensity of its own solutions by 50 percent and achieve a carbon net negative position through carbon removal solutions by 2030. Mainstream aims to develop a roadmap to net zero emissions, and take concrete steps to avoid any incidents with negative climate impacts from all greenhouse gas sources, including SF6-gas.

Energy

Investing in renewable energy production and technologies, as well as using energy responsibly, is at the very center of Aker Horizons' business strategy. Energy is closely related to climate change. However, providing access to clean and affordable energy is not only about climate change, it is also about raising the quality of life and reducing inequality globally, in parallel with cutting emissions.

Aker Horizons' approach and performance

Green energy is the cornerstone of decarbonization and the green transition. By developing companies dedicated to renewable power generation capacity in many countries around the world, Aker Horizons is helping to increase the share of renewable energy produced locally in the countries where its portfolio companies operate, while also influencing the global energy mix.

As with carbon emissions, it is necessary for Aker Horizons and its portfolio companies to consider not only the positive impact of their activities, but also their energy footprint.

During 2022, the energy consumption of Aker Horizons in isolation (i.e. excluding financially-controlled entities or investments, but including Asset Development) totaled 595 MWh – of which 49 percent was electricity from the power grid, 33 percent was district heating and 17 percent was district cooling. The energy consumed was 98.5 percent renewable (location-based).

Leading the expansion of renewable energy globally

Mainstream Renewable Power is a leading pure-play renewable energy company, with wind and solar power assets across the globe, including in Latin America, Africa, and Asia Pacific. The company is a developer of gigawatt-scale platforms for onshore wind, offshore wind and solar power generation. In 2022, Mainstream had a project portfolio of over 21 GW in Europe, the Americas, Africa and Asia Pacific, with 1.5 GW in operation and under construction at year-end. During the year, Mainstream constructed 0.66 GW of renewable energy, and developed its project pipeline significantly.

In Chile, Mainstream is progressing on its Andes Renovables Platform, completing eight out of 10 projects and setting the company on track to connect a combined capacity of more than 1 GW to the grid. This milestone was reached in early 2023. Furthermore, in 2022, Mainstream also signed power purchase agreements (PPAs) for six solar plants, with a combined capacity of 450 MW, awarded under Round 5 of South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP). Mainstream also signed a seabed lease agreement with Crown Estate Scotland for the development of a 1.8 GW floating offshore wind farm off the Shetland Islands in Scotland. The project, named Arven Offshore Wind Farms, is a 50-50 partnership with Ocean Winds.

Energy transmission as a piece of the puzzle in expanding access to renewable energy

SuperNode is a global technology development company that designs superconducting cable systems to connect renewable power generation and increase grid interconnection. Conventional cables are limited in terms of their power transferring capabilities. They also require vast amounts of copper, which is associated with a substantial carbon footprint. Cables using superconducting technology can carry huge amounts of power efficiently over long distances, and require significantly less infrastructure, materials and space.

In 2022, SuperNode moved into a new state-of-the-art, purpose-built technology center, and continued to test its novel designs for superconducting cable systems. The company filed three patents and published several studies, including reports showing how a fully-connected Pan-European Energy transmission system could reduce costs by nearly one-third.

SuperNode's superconducting transmission products will be a key enabling technology for the anticipated growth in renewable energy over the next 30 years.

Energy consumption of Aker Horizons Holding and Aker Horizons Asset Development

	Aker Horizons Holding (MWh)	Aker Horizons Asset Development (MWh)	Total	Share renewable (location-based
Grid electricity	182.61	111.345	293.955	97 %
District heating	122.805	74.88	197.685	100 %
District cooling	64.42	39.28	103.7	100 %
Total	369.835	225.505	595.34	98.52 %

The total amount of energy consumed by Aker Horizons, including portfolio companies, came to 7,646 MWh, 17 percent of which was renewable. Adjusted for Aker Horizons' proportionate ownership shares, the energy consumed amounted to 4,596 MWh, 19 percent of which was renewable. The low percentage of renewable energy is due to the use of fossil fuels at sites and in construction, as well as the grid mix in countries other than Norway containing a smaller proportion of renewables. This highlights the need to explore ways in which to switch to renewable energy sources wherever possible.

On the production side, a total of 3,503,204 MWh of renewable energy was produced over the course of the year (2,046,922 MWh if ownership-adjusted). No non-renewable energy was produced. In other words, the total amount of energy consumed was equivalent to only 0.22 percent of the total energy produced.

For energy-intensive projects planned for the future, ways to improve energy efficiency are currently underway. For instance, Aker Horizons aims to utilize the surplus heat from hydrogen production in connection with the Rjukan project. In this case, electrolysis of water will generate surplus heat that is captured in the system cooling circuit. Through a heat exchanger, this can be extracted and used for industrial processes and district heating.

Performance commentary

Aker Horizons notes the consistent progress in the construction of renewable energy projects and the expansion of a global project pipeline by Mainstream. Supernode progressed on its journey to unlocking new opportunities for energy transmission. For further information on the progress of the Aker Horizons Group towards its strategic objectives and the performance of the individual companies, see the Board of Directors' Report.

While renewable energy production by the Aker Horizons Group significantly exceeds its energy consumption, Aker Horizons notes that energy consumption was less than 20 percent renewable. This leaves room for improvement.

Going forward

Aker Horizons will continue to support the expansion of renewable energy globally. Simultaneously, steps will be taken to increase the share of renewable energy consumed across the Group.

Furthermore, as other parts of the Aker Horizons Group become more operational and, in most cases, significant consumers of energy (which is the case for both hydrogen and carbon capture), steps will be taken to improve the solutions' energy efficiency. This includes decreasing the energy needed, as well as exploring options for recycling energy, particularly heat, to meet the needs of surrounding industry and society and support further CO_2 abatement. In a world focusing more on energy security and volatile energy prices, this is of paramount importance to the expansion of energy-intensive industry.

Biodiversity

The world currently faces multiple crises, and an unprecedented loss of biodiversity and nature is a looming threat to existence. Climate change is projected to become the strongest driver of biodiversity loss over the next decade. Action to mitigate climate change therefore also represents action to protect biodiversity. Simultaneously, Aker Horizons and its portfolio companies operate in industries that are often land intensive, and therefore represent a risk of adversely impacting biodiversity if not adequately managed. Moreover, developing green industry is reliant on access to metals and minerals, which must be mined and processed – activities that often damage local biodiversity.

Aker Horizons' approach and performance

The Kunming-Montreal Global Biodiversity Framework (GBF), adopted at the COP 15 UN Biodiversity Conference in Montreal in December 2022, underscored that more terrestrial and marine ecosystems must be protected, countries must develop national biodiversity strategies, and companies will be expected and required to assess, disclose and minimize the biodiversity impact of their operations and supply chains.

Aker Horizons' Sustainability Policy describes our commitment to minimizing our impact on ecosystems, particularly in relation to operations in or near biodiversity sensitive areas and operations that may affect endangered species. Furthermore, biodiversity impact is explicitly addressed in Aker Horizons' Business Partner Code of Conduct, which was developed and implemented in 2022 (for further information about this document, see the section on Human and labor rights). Aker Horizons' responsibility for biodiversity extends to life in the ocean. In 2022, Aker Horizons and the offshore wind division of Mainstream, formerly Aker Offshore Wind, became signatories of the Sustainable Ocean Principles of the UN Global Compact Ocean Stewardship. The principles build upon and supplement the Ten Principles of the United Nations Global Compact, and commit signatories to work for healthy and productive oceans.

As an active owner, Aker Horizons sets clear expectations for its portfolio companies, and while the operations vary in their maturity, this is high on the agenda across the Group. Currently, data is being collected on land use and biodiversity impact, while continuing efforts to build a solid understanding of current and future impacts are a priority also for 2023. All companies in the Group are asked to report on whether they own, lease or manage sites adjacent to protected areas and/or biodiversity-sensitive areas as defined by the Sustainable Finance Disclosure Regulation[8]; whether they have sites or operations that affect threatened species (as defined by the IUCN Red List); and whether they take part in conservation or reforestation efforts. In 2022, none of the companies in Aker Horizon's portfolio report having sites or operations with the impacts described above. However, the assessment being undertaken to gain a full understanding of our impact has not fully concluded. Currently, no companies engage in conservation or reforestation efforts.

All projects developed by the Aker Horizons Group are required to undergo Environmental Impact Assessments (EIAs), and Aker Horizons incorporates high-level considerations around biodiversity impact in early-stage investment considerations.

Aker Horizons' own operations through the Asset Development business unit are at an early stage. The current impact of Aker Horizons in isolation is therefore limited. Aker Horizons, including Aker Horizons Asset Development, occupies a total of 1,167 hectares of land. Across Aker Horizons and its portfolio, total land occupation is 638,719 hectares. This is primarily driven by Mainstream Renewable Power, which has renewables assets equivalent to 1.5 GW in operation and under construction at the end of 2022.

Mainstream's practice and mitigation measures relating to biodiversity during construction, operations, maintenance and decommissioning are included in the company's Global Development Standard. This standard will be revised in 2023 in light of the new Kunming-Montreal GBF.

Aker Horizons also contributed to public hearings on offshore wind power generation in Norway. One of the opinions we have voiced is support for the inclusion of qualitative criteria in auctions, which would constitute a concrete step to reward measures for safeguarding surrounding biodiversity. For further information on Aker Horizons' public policy engagement, see the section dedicated to this topic.

Mainstream's decision to discontinue a project due to environmental concerns

In 2022, Mainstream decided not to move forward with a planned solar power plant in South Africa, due to potential adverse biodiversity impacts on associated wetlands.

The project was a solar development situated in Free State. During the Environment Impact Assessment (EIA) phase of the projects, the wetland specialist delineated the wetlands and found indicators of underground soil wetness commensurate with classification as wetlands. Following a recommended second opinion to confirm the findings, the outcomes were discussed and it was concluded that offsets would most likely be required and that the project would have severe environmental impacts.

Based on the above, it was decided not to proceed with the development of the solar projects.

[8] The definition provided by SFDR is: 'Biodiversity-sensitive areas' means Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas ('KBAs'), as well as other protected areas, as referred to in Appendix D of Annex II to Commission Delegated Regulation (EU) 2021/2139

Novel techniques for minimizing environmental impact in Chile

The Antofagasta Region of northern Chile has exceptional conditions for the development of wind energy projects. However, it is also home to a number of protected bird species. As part of its commitment to minimizing negative environmental impacts from its projects, Mainstream has explored new methodologies and partnerships to study ecosystems in the area.

In 2022, Mainstream constructed three projects in the region, namely, Llanos del Viento, Pampa Tigre and Cerro Tigre. Two other projects were at the development stage, undergoing design and environmental studies. One key focus was to minimize any negative impact on the protected bird species: Gaviota Garuma (Grey Gull) and Golondrina de Mar (Wilson's Storm Petrel).

Working with ecology specialists from the University of Concepción in Bio Bio, Mainstream carried out a series of environmental studies on coastal birdlife in the north of Chile. When planning the development sites, specially trained dogs were deployed to detect nesting grounds, and these areas were avoided when siting turbines and access roads. A pilot project was also initiated to explore the use of computer vision and sensor technology to monitor bird activity in the area.

As well as supporting environment-friendly project planning and execution, the data from these investigations will be used to further academic research on these protected bird species. Moreover, to support research and local skills development, Mainstream has signed an agreement with the University of Antofagasta to educate workers on environmental management, fauna rescue and rehabilitation.

Aker Carbon Capture currently has limited direct impact on biodiversity – the deployment of carbon capture plants has a relatively small land footprint. While the plants are mainly placed in areas already targeted for industrial production, their local impact needs to be assessed on a case-by-case basis. However, indirect impacts may occur, through supply chains and natural resource needs. In 2023, Aker Carbon Capture plans to expand its lifecycle assessment tool to gain a greater understanding of the solutions' indirect impact on biodiversity. Furthermore, biodiversity and land-use perspectives become more relevant whenever carbon removal credits are based on biomass in combination with carbon capture and storage. Maturing the framework for the voluntary market for carbon removal credits is important and part of Aker Carbon Capture's work to scale the deployment of engineered carbon removal solutions.

Performance commentary

Biodiversity continues to be high on the agenda, and Aker Horizons is pleased to observe the good work being done by Mainstream Renewable Power in its development and operation of renewables projects. Particularly the choice to not move forward with certain projects due to environmental concerns lends credibility to the assessments. For the other activities in the Aker Horizons Group, biodiversity impact is currently limited due to the early stage of the activities, but an early focus on mapping potential impacts is deemed a good starting point.

Going forward

For 2023, a priority for Aker Horizons is to move forward on the planning of assets under Aker Horizons Asset Development, and ensure that environmental safeguarding is taken into account at all stages. There will also be a focus on building further capacity to understand and track biodiversity impacts.

Mainstream will continue working on sound environmental impact assessments for its assets, and exploring new methods to safeguard the environment – both for onshore and offshore assets.

A cross-cutting theme for all sustainability impacts in the Aker Horizons Group, including biodiversity, is the deepening of our work with supply chains, building an understanding of impacts beyond our own operations and identifying potential improvement measures.

Aker Horizons will continue exploring opportunities for collaboration with academia to support research to find the best ways of mitigating adverse impacts on biodiversity. In the longer term, it is the ambition of Aker Horizons and the portfolio to venture into assessing nature-based risk, which incorporates the "outside-in" perspective on the materiality of biodiversity.

Circular economy

Circularity is a solution for realizing a sustainable and viable way of living, by providing the tools to tackling the crises we face simultaneously. Circular economy solutions provide a roadmap for growing prosperity and resilience, while cutting greenhouse gas emissions, waste and pollution. With a business strategy anchored in creating planet-positive impact and tackling climate change, circularity must necessarily be taken into consideration for Aker Horizons' solutions.

Aker Horizons' approach and performance

The concepts of the circular economy and circularity are viewed as key to sustainable development by Aker Horizons and its portfolio companies. Aker Horizons' Sustainability Policy sets out the ambition of zero waste, sound resource utilization and the realization of the circular economy. Furthermore, it describes Aker Horizons' commitment to ending pollution of the environment both on land and in the ocean. While it is widely recognized that circular economy solutions must be explored, the Aker Horizons Group companies are still at the early stages of developing an approach to circularity.

If the concept of circularity is extended to energy and CO_2, the solutions provided by Aker Horizons and its portfolio are enablers of the circular economy. For instance, carbon capture and utilization, particularly if the carbon is of biogenic origin, is a central piece in the puzzle of a circular carbon economy. This forms a backdrop to the exploration of new business opportunities.

Circularity represents the sound utilization of resources, and the abandonment of a linear approach to designing and using materials. In terms of physical resource utilization, Aker Horizons' efforts are currently focused on identifying and tackling waste streams as a concrete first step - although circularity is more than waste management.

Aker Horizons' own waste data is expressed as a pro rata share of the volume recorded at the Fornebuporten complex, where its offices are located. In 2022, 40 percent of the waste (residual mixed waste and hazardous waste) produced at these premises was not recycled, down 15 percent from the 46 percent not recycled in 2021. Aker Horizons' own operations, through Aker Horizons Asset Development, are at an early stage, so the current impact of Aker Horizons in isolation is limited. In 2022, the total amount of waste attributed to Aker Horizons, including Asset Development, was 11.19 tonnes, while non-recycled waste totaled 4.49 tonnes (40 percent) and recycled waste totaled 6.69 tonnes (60 percent). The total amount of hazardous waste attributed to Aker Horizons, including Asset Development, was 0.048 tonnes.

Aker Horizons and its portfolio companies generated a combined total of 5,909 tonnes of waste, with Mainstream Renewable Power responsible for the bulk of this amount. Mainstream was also the company with the lowest share of non-recycled waste (14 percent). As a result, the overall recycling rate for Aker Horizons, including portfolio companies, stood at 86 percent at year end. Together, Aker Horizons and its portfolio generated a total of 54 tonnes of hazardous waste. Building the capability to collect sound, portfolio-wide data takes time, and it is a priority going forward to establish further confidence and controls with respect to waste data.

Carbon Capture and Utilization: From waste to sprouts

In 2022, one of Aker Carbon Capture's flagship projects, and unique example of a stepping stone towards a circular carbon economy, entered the construction phase.

Twence, a Dutch operator of waste-to-energy plants, made the decision to deploy carbon capture at its waste-to-energy facility in Hengelo at the end of 2021. When the carbon capture plant becomes operational towards the end of 2023, it will be the world's first modular carbon capture plant at a waste-to-energy facility.

The plant will have a rated capture capacity of 100,000 tonnes of CO_2 per year and is on schedule to commence operations by the end of 2023. The captured CO_2 at Twence will be utilized in local horticulture to increase plant yields from greenhouses, thus displacing the need for natural gas. While a proportion of the carbon captured and utilized from this waste-to-energy facility will still be of fossil origin, the project represents a concrete step towards realizing circularity in practice.

Performance commentary

Since circular economy is still a nascent focus area in the Group, Aker Horizons acknowledges that there is a significant potential for improvement across the portfolio. At the same time, Aker Horizons is pleased to see that there are efforts pulling in the right direction. Among the highlights in 2022 were Aker Carbon Capture's enabling of circular carbon management through the company's facility under construction in the Netherlands, and Mainstream's early efforts to enable the recycling of wind turbine blades.

Going forward

The circular economy and waste reduction are on the Aker Horizons Group's agenda going forward.

Aker Carbon Capture aims to expand its lifecycle assessment tool to cover a broader dataset, in order to quantify recycled material volumes - pending our suppliers' data availability and accuracy. Furthermore, it will continue to develop and mature circularity metrics to track progress, and conduct a circularity assessment to identify further opportunities, including how information on material content can facilitate increased circularity in connection with plant decommissioning.

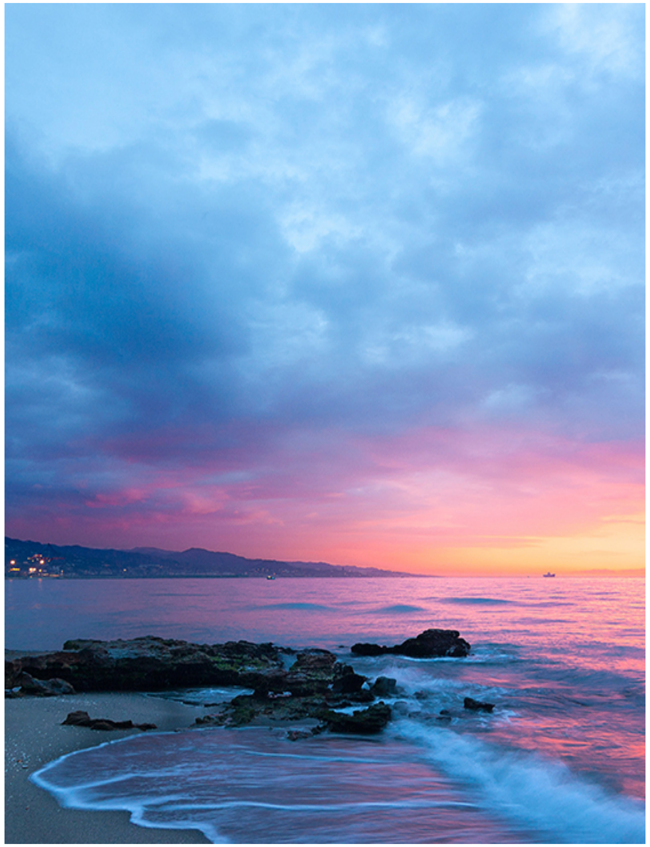
Following the cradle-to-cradle process, Mainstream Renewable Power aims for zero waste to landfill. This process will be embedded into Mainstream's Global Development Standards in 2023.

Going forward, Aker Horizons will continue to encourage and support cradle-to-cradle design across its portfolio companies' activities, and aims to support an overall learning curve with respect to the circular economy and circular design within the Group.

Managing difficult-to-recycle waste streams: turbine recycling

In its Annual and Sustainability Report 2021, Aker Horizons described the establishment of a partnership between Aker Offshore Wind, now part of Mainstream Renewable Power, and the University of Strathclyde in Scotland to find potential solutions to end-of-life treatment of wind turbine blades. Currently, the most common practice for the disposal of decommissioned turbine blades is landfilling. However, the trade association Wind Europe is calling for a Europe-wide ban on this practice.

Mainstream and researchers at the University of Strathclyde, together with other consortium members, are leading a GBP 2 million wind turbine blade recycling pilot in the UK. The three-year pilot kicked off in 2022 and aims to develop a commercially viable method to separate and recover fiber glass from wind turbines, which can then be reprocessed and reused in new moulded products.



Respect for People

Aker Horizons is committed to safeguarding and supporting the people associated with its activities. People are crucial for every organization, be they employees, contractors, customers, suppliers or external stakeholders. Contributing to improving people's well-being, prosperity and knowledge is an integral part of Aker Horizons' approach to being planet-positive.

In this chapter, four material topics have been identified for Aker Horizons:

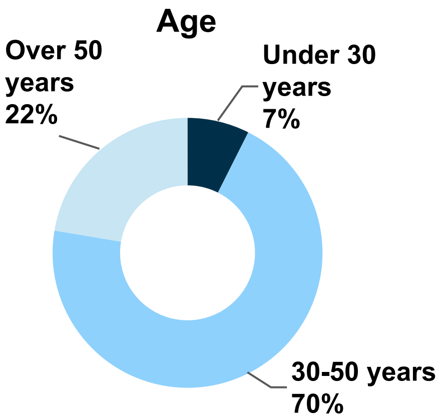
- Human and labor rights
- Health, safety and well-being
- Diversity, equality and inclusion
- Talent attraction

At a Glance: Our People

Aker Horizons, including Asset Development

Employees	Contractors	Total workforce
94 FTE 94 HC	22 FTE	116 FTE

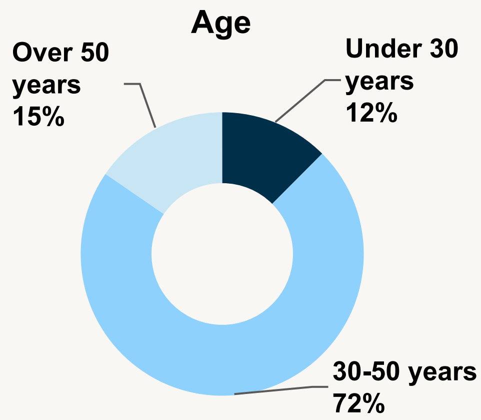
Board of Directors	40%	60%
Executive Management*	50%	50%
Management excl. EMT**	28%	72%
All employees	32%	68%



Aker Horizons and portfolio companies

Employees	Contractors	Total workforce
970 FTE 977 HC	165 FTE	1135 FTE

Board of Directors	32%	68%
Executive Management*	38%	63%
Management excl. EMT**	30%	70%
All employees	35%	65%

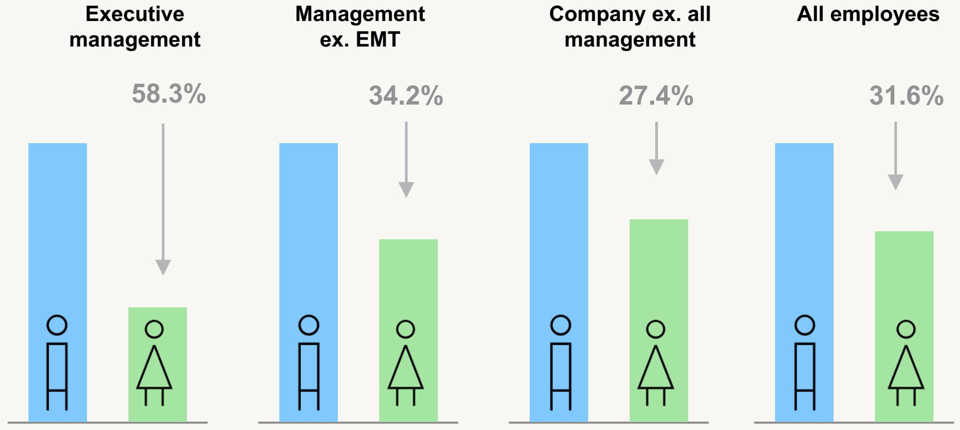


** Executive management team (EMT) defined as in remuneration report, if applicable*

*** Management defined as all employees who have employees reporting directly to them and/or are responsible for managing a discipline*

Deep-dive: Aker Horizons (Including Asset Development)

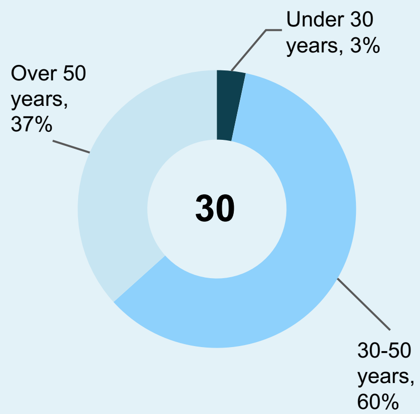
Gender pay gap

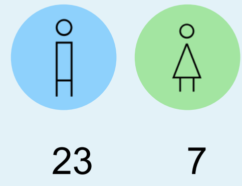


** Executive management team (EMT) in Aker Horizons is only the CEO and CFO*

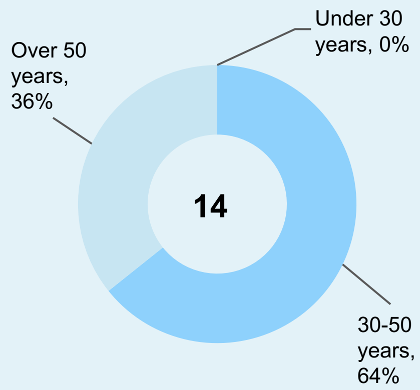
Profiles of new hires and leavers

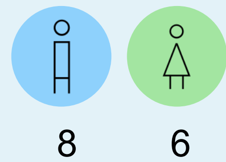
Total new hires





Total leavers





Average age

44

Nationalities

22

Training and development

72

Hours (offered)

Human and labor rights

Aker Horizons and its portfolio companies operate in industries and geographies that involve potential adverse human rights impacts. As a responsible investor, owner and project developer, understanding, managing and protecting human and labor rights is at the core of Aker Horizons' sustainability commitments.

Aker Horizons' approach and performance

Human rights and labor rights commitments

Aker Horizons is committed to respecting internationally proclaimed human rights, including the rights set out in the International Bill of Rights and the UN Guiding Principles of Business and Human Rights (UNGPs), the principles and rights described in the eight fundamental conventions identified in the Declaration of the International Labor Organization on Fundamental Principles and Rights at Work, as well as the United Nations Declaration on the Rights of Indigenous Peoples and the OECD Guidelines for Multinational Enterprises. Since 2021, Aker Horizons has been committed to the UN Global Compact corporate responsibility initiative and its principles in such areas as human and labor rights. Aker Horizons respects all human and labor rights and is committed to actively preventing child labor, forced labor and modern slavery in its own operations and supply chain. Aker Horizons recognizes the rights to freedom of expression, privacy, association and collective bargaining.

Furthermore, Aker Horizons respects and promotes freedom of association, encourages work councils, and promotes the consultation and participation rights of workers through social dialogue. Aker has a long tradition of cooperation on employment matters between its main shareholder, board, management and employee representatives, as well as an open dialogue with authorities and other partners. This is referred to as the "Aker model". Aker Horizons' ambition is to carry this forward through the expansion of investments and the building of new industrial businesses and workplaces for a low-carbon future - and to embody the concepts of a just transition and decent green jobs.

Aker Horizons has zero tolerance for discrimination in any form. Aker Horizons aims to ensure equality, diversity and inclusion throughout its business by providing equal opportunities and striving for a balance between the genders, and increased diversity and inclusion at all levels and in all parts of the business. Aker Horizons' commitment to and work on equality, diversity and inclusion is described more in detail in the section dedicated to the topic.

Finally, Aker Horizons recognizes and strives to obtain the free, prior and informed consent of indigenous communities that may be impacted by the company's operations, and is committed to interacting with indigenous communities in a way that respects their history, culture and customs. Climate solutions, like renewable energy, must be developed with respect and care for traditional knowledge and practices. That, in turn, will play a critical role in protecting the planet's biodiversity and in maintaining the overall health of ecosystems.

Governance

Aker Horizons' commitment to human and labor rights is embedded in the company's governing structure and reflected in both our Code of Conduct and Sustainability Policy. Aker Horizons respects human rights, including labor and children's rights, and protects vulnerable individuals and groups affected by our business. From the Code of Conduct, it follows that Aker Horizons shall ensure that its business operations do not cause or contribute to any infringements to human and labor rights and that Aker Horizons is committed to implementing and enforcing effective systems to minimize risks of human and labor rights infringements in Aker Horizons' own operations and in the supply chain. The Sustainability Policy mandates that Aker Horizons shall ensure ESG emergency preparedness, including responsible remedy liability analysis, monitoring, and equal access to remedy.

As a part of the Aker group, Aker Horizons is covered by the Global Framework Agreement between Aker and the Norwegian United Federation of Trade Unions (Fellesforbundet), IndustriALL Global Union, the Norwegian Society of Engineers and Technologists (NITO) and the Norwegian Society of Graduate Technical and Scientific Professionals (Tekna). This agreement commits Aker and its portfolio companies to respect and support fundamental human and labor rights in societies where the companies operate. Specifically, it sets out fundamental workers' rights, such as the right to unionize and engage in collective bargaining, and refers to internationally recognized standards governing health, safety and the environment (HSE), pay, working hours and employment conditions. During 2022, executives from Aker Horizons and its portfolio companies participated in meetings of Aker's Global Works Council (GWC), which includes labor union representatives from several Aker companies globally. The council continually works to ensure alignment on corporate responsibility efforts in Norway and internationally. While Aker Horizons and its companies are relatively newly established and currently have not yet formalized statute-based cooperation, the GWC model as a framework for engagement is also important for Aker Horizons. Dialogue on working life, and informal interaction between managers and employees, based on mutual trust, openness and respect, are core values for Aker Horizons.

The Chair of Aker Horizons, in his capacity as CEO of Aker ASA, takes part in the annual employee representative conferences organized by the Norwegian trade unions and employee associations, and also has frequent informal conversations with employee representatives. This gives Aker ASA and Aker Horizons valuable insights and facilitates the implementation of active employment representation. Aker ASA has also extended employee representation to its Board of Directors. Three members of Aker ASA's Board of Directors are elected by and from among employees - including the portfolio companies' employees.

Aker Horizons' strong support for and efforts to prevent and mitigate any adverse impacts on human rights extends beyond own operations and covers business partners including suppliers, customers, service providers, joint venture partners or other persons engaging in business with members of the Aker Horizons Group. In 2022, Aker Horizons developed and implemented the Business Partner Code of Conduct. For parts of the Group, this document replaces existing Supplier Declarations.The document sets out what Aker Horizons requires of its business partners, including an expectation that they respect fundamental human rights, provide decent working conditions and carry out human rights due diligence to understand and mitigate potential and actual adverse impacts and ensure that their company, through its operations, does not cause or contribute to adverse impacts on human rights and working conditions. The Code of Conduct for Business Partners includes specific contractual clauses authorizing Aker Horizons to terminate a contract in case of material breach of human rights by a business partner. Contractual clauses also allow audits of business partners to verify their compliance with the Code.

Responsibility for managing human rights in Aker Horizons is shared between the Sustainability and Compliance functions, and is overseen by both the Audit Committee and the Board of Directors. Updates on human rights-related activities and matters are given to the Audit Committee and the Board on a quarterly basis. All Aker Horizons employees are individually responsible for respecting human rights and safeguarding decent working conditions.

In addition to developing assets through the Asset Development business unit, Aker Horizons' core business is to invest in, own and operate companies and, when appropriate, to divest. Aker Horizons has therefore developed processes to evaluate, monitor and follow up on actual or potential adverse impacts on human rights and decent working conditions in relation to potential new investments, current holdings and potential divestments.

Aker Horizons exercises active ownership by contributing to the development of its portfolio companies, using its influence as shareholder, mainly through board positions (including by having Aker Horizons representatives on audit and sustainability committees). As an active owner, Aker Horizons also regularly engages with other functions in portfolio companies, including Legal, Compliance and Sustainability, to follow up and provide support across a range of areas. This includes assisting the companies with their efforts to identify and assess any actual and potential adverse human rights impacts.

Aker Horizons requires its portfolio companies to implement their own Code of Conduct and other relevant policies and procedures, in line with Aker Horizons' values. Aker Horizons also expects its portfolio companies to have in place governing documents and processes to ensure respect for and adherence to fundamental principles of human rights and labor rights, and to assess and monitor any actual or potential adverse impacts on human rights and decent working conditions. This includes having in place processes to take steps to cease, prevent and mitigate (as appropriate) any such adverse impacts.

At the end of 2022, 100 percent of Aker Horizons' portfolio companies have either Codes of Conduct outlining their commitments to human and labor rights or Codes of Conduct dedicated specifically to business partners.

The Norwegian Transparency Act

The Norwegian Transparency Act, which came into force in 2022, introduces requirements to carry out due diligence of companies' own operations and supply chains, with a focus on assessing actual and potential adverse impacts on human rights and decent working conditions. It further requires companies to publish an annual report on the due diligence conducted (process and findings) and to provide information upon request. Aker Horizons welcomes these enhanced requirements, which are very much in line with the company's commitment to human rights and transparent reporting. Aker Horizons will publish a full Transparency Act due diligence report by 30 June 2023, in line with the requirements of the Act. Below is a status update on the company's compliance with the Act and the broader work on human and labor rights. The due diligence report will be published on the sustainability pages of Aker Horizons' website.

In the context of the Transparency Act, a parent company's own operations include the operations of its subsidiaries, irrespective of where those subsidiaries are registered or operate. It follows that Aker Horizons' human rights due diligence of its own operations must also take account of risks in the operations of its subsidiaries. This means that Aker Horizons' assessments and statements will cover all of Aker Horizons Asset Development (and Aker Narvik), Aker Carbon Capture (43.3 percent ownership, but consolidated accounts) and Mainstream Renewable Power (58.4 percent ownership and consolidated accounts). As a listed Norwegian company, Aker Carbon Capture is required to report in its own right, and its account of due diligence pursuant to the Transparency Act can be found here. During 2022, neither Aker Horizons nor any other company in the Aker Horizons Group received any information requests under the Transparency Act.

Due diligence
During 2022, Aker Horizons implemented a number of measures to enhance its efforts to safeguard human rights and decent working conditions, and to enable the Company to detect, prevent and respond to adverse human rights impacts in its operations and supply chain. These measures are described in more detail below but, in brief, have included the implementation of new procedures and processes to conduct human rights impact assessments and integrate human rights due diligence into the Company's operations, as well as training and awareness-raising to upskill employees in this area.

A key measure in identifying, detecting and preventing adverse human right impacts is Aker Horizons' Integrity Due Diligence (IDD) procedure, which specifies steps that must be taken to assess and monitor integrity risks relating to new and existing business partners. The IDD Procedure is risk based. As a result, business partners with direct involvement in the construction, infrastructure or extractives and mining industries, and/or business partners located in medium or high-risk countries, will be subject to additional due diligence. Additional due diligence may include self-assessment questionnaires, the hiring of external intelligence providers and direct engagement with relevant stakeholders.

Integrity due diligence in Aker Horizons is an ongoing, risk-based process. At minimum, this involves continuous monitoring of Aker Horizons' current and prospective business relationships using an external screening system and compliance database (Compliance Catalyst) for human rights risks and other potential risks, such as sanctions, corruption, environmental offenses and economic crimes. Higher risk suppliers will also be subject to more in-depth follow-up, including audits if necessary.

Aker Horizons is committed to conducting audits in projects where we have identified risks, and responding to adverse impacts commensurate with our level of influence and control. In 2022, the scope of the IDD procedure was updated to cover human rights and labor rights to an even larger extent. If there are concerns, weaknesses or red flags associated with a business partner, Aker Horizons will engage them in dialogue and identify measures to enable them to work towards attaining the integrity standards stipulated by Aker Horizons' Code of Conduct for Business Partners.

Aker Horizons has also adopted measures to ensure that all written agreements with business partners incorporate Aker Horizons' Code of Conduct for Business Partners, in addition to specific contractual clauses under which Aker Horizons' business partners undertake on their own account to identify and prevent actual or potential adverse impacts on human rights and decent working conditions.

As an active owner, Aker Horizons expects all its portfolio companies to develop appropriate due diligence processes to identify, mitigate and prevent (as appropriate) any actual or potential adverse impacts on human rights and decent working conditions in their operations and supply chains, and to have mechanisms in place that allow for any grievances to be raised and adequately addressed.

Internal capacity building
Aker Horizons aims to continuously strengthen internal competence on human rights, and in 2022 introduced a dedicated online human rights training program for all employees of Aker Horizons, Aker Horizons Asset Development and Mainstream Renewable Power. Aker Carbon Capture provided specialized online training to its employees based on risk exposure.

Aker Horizons encourages all companies in the Group to introduce obligatory training for employees on human and labor rights. In 2022, 62 percent of the employees of Aker Horizons, 61 percent of Aker Carbon Capture[9] and 90 percent of Mainstream Renewable Power had completed the online human rights training course. The Code of Conduct training in all companies covers aspects of human rights. In 2022, it was completed by 88 percent of Aker Horizons, 100 percent of Aker Carbon Capture and 100 percent of Mainstream Renewable Power's employees.

Whistleblowing channel and grievance mechanism
Aker Horizons has an anonymous, third party whistleblowing channel that is open both to internal and external parties. Through awareness-raising initiatives and internal training, Aker Horizons enables such parties to raise concerns and report suspected violations, including violations of human and labor rights. Additionally, there is a procedure in place which encourages reporting of unethical and illegal behavior, and sets out regulations for the protection of whistleblowers. The procedure prescribes the mandatory steps the company must take to investigate and manage whistleblower reports.

For external stakeholders, information about the whistleblowing channel, including contact information, has been available on the Company's website in 2022. All Aker Horizons Group companies have their own whistleblowing channels and reports concerning their companies can be made through their own channels.

In 2022, no grievances were received by Aker Horizons. Across the portfolio, there is still a way to go with regard to establishing reporting systems and data certainty concerning grievances, and steps were taken towards this end in 2022.

Indigenous rights and cultural heritage
Aker Horizons is determined to implement measures to respect indigenous rights and cultural heritage. Currently, this is one of the key priorities for Mainstream Renewable Power's operations. Mainstream applies internationally recognized practices for the protection, field-based study, and documentation of cultural heritage, and these are implemented in all its projects.

[9] *Aker Carbon Capture took a risk-based approach to selecting a target group for more extensive human rights training, including both employees and contractors. 100 percent of the target group completed the training.*

Aker Horizons' human and labor rights risk

Aker Horizons is committed to conducting periodical human rights impact assessments which examine the scope, nature and impact of existing activities and business relationships. During 2022 and early 2023, Aker Horizons carried out a human rights impact assessment, using a combination of quantitative and qualitative methods to map and assess the Company's potential adverse impact on human and labor rights in its own operations and supply chain, and in other business partner relationships. So far, this has been done for both Aker Carbon Capture and Aker Horizons, including Asset Development. Building on ongoing work on human rights in own operations and the supply chain, Mainstream Renewable Power aims to complete such an assessment in the first half of 2023.

Taking steps to learn about local indigenous culture

Among the measures introduced to learn about indigenous culture in 2022, Mainstream participated in an Indigenous Cosmovision Workshop, at the invitation of the Futa Trawün community of Paillaco, which neighbours Mainstream's Caman Wind Farm Project in Chile.

Mainstream employees from a range of business functions took part in the workshop, during which they learnt about the culture of the Mapuche people of the Los Ríos Region.

Mainstream's representatives also had the opportunity to promote the importance of ostering good community relations in the local transition to renewables.

In the renewable energy industry generally, there is an inherent risk of adverse impacts on local communities affected by renewable energy development projects. This is particularly true if the communities affected include indigenous people or other vulnerable groups.

Furthermore, there is an inherent risk of adverse impacts associated with the renewable energy sector's supply chains , particularly any exposure to China in general and the Xinjiang province in particular, as well as other high-risk markets such as Brazil, Chile and South Africa. The mining and processing of metals and minerals – an important aspect of most renewable energy projects – is associated with a high inherent risk of adverse impacts due to the nature and location of such operations. In the construction of infrastructure for green energy and green industry projects, there is also an inherent risk of adverse impacts due to labor-intensive work, often executed with a contracted workforce.

Mainstream's approach to respecting indigenous rights and cultural heritage

In alignment with the International Finance Corporation Performance Standard 8, cultural heritage refers to tangible forms of cultural heritage, including sites and artifacts of archaeological and paleontological value, as well as historically unique natural features or tangible objects that embody cultural values; and certain instances of intangible forms of culture that are proposed to be used for commercial purposes (e.g., cultural knowledge, innovations and traditional practices).

During an Environment Impact Assessment (EIA), a cultural heritage survey should be performed by qualified professionals, and if the survey indicates potential adverse impacts, further analysis will be necessary to ascertain the nature and scale of these impacts and engage with the community to understand how such impacts can best be mitigated. The archaeological survey is performed as part of the EIA baseline.

In 2022, there were no cases reported of violations of human and labor rights across Aker Horizons and its portfolio, nor involving the rights of indigenous peoples. As mentioned above, efforts are currently underway to better understand the risk and impacts of the activities across the Group.

Aker Horizons' own operations

In its human rights impact assessment, Aker Horizons has not identified any actual adverse impacts on fundamental human rights or decent working conditions in its own operations. The most significant risk of adverse impacts on fundamental human rights and decent working conditions in Aker Horizons' own operations relates to the construction work being undertaken in Narvik. This is because Aker Horizons currently only has offices and operations in Norway. Further, although the Company has a number of projects under development at varying stages, none of these projects are yet operational, and only the project in Narvik has reached the construction phase (early-stage EPC activities).

As such, the risk that Aker Horizons, through its own operations, could have an adverse impact on human rights and decent working conditions is presently considered low. The risk is considered to be slightly higher for the construction project in Narvik, solely as a result of the inherently high risks of adverse working conditions in the construction industry. These risks are, however, mitigated by the project's location in Norway – with its high standards for labor rights – the fact that the workers involved are primarily local (as opposed to migrant) workers, and finally that Aker Horizons, through its JV partner Nordkraft, exercises close oversight, including frequent on-site visits as the project develops.

Aker Horizons is also mindful of the potential future risks that may crystallize once the Company's other pipeline projects enter construction and operational phases, and will ensure these risks are closely monitored and addressed as and when the relevant projects go into operation.

Aker Horizons' supply chain and business partner relationships

In its human rights impact assessment, Aker Horizons did not identify any actual adverse impacts on fundamental human rights or decent working conditions in the Company's supply chain or in relationships with other business partners.

In 2022, Aker Horizons – including Asset Development and the Narvik project – had a total of 361 uniquely registered suppliers. The top three suppliers represent over 90 percent of total spend – and were related to EPC contracting, land acquisition and construction of a new transformer station, all in Narvik.

Although, as noted above, no actual adverse impacts were identified in 2022, the following supplier categories and related potentially salient human rights risk were identified in relation to Aker Horizons' operations and its supply chain or business partner relationships.

- Construction (including site development)
- Electronics and computer equipment;
- Software and IT services;
- Hospitality (including office rental; other office costs and meetings/training/events);
- Office supplies; and
- Recruitment services

The potentially salient human rights risks associated with these sectors will serve as a basis for Aker Horizons' targeted mitigation work, and include:

- Health and safety, including workplace conditions and excessive working hours
- Forced labor
- Child labor
- Collective bargaining and freedom of association
- Indigenous peoples' rights and affected communities
- Equality, diversity and inclusion

The vast majority of Aker Horizons' direct suppliers are from countries considered to be of low risk from a human and labor rights perspective, which to some extent serves to mitigate the risk of Aker Horizons causing or contributing to adverse human rights impacts through its supply chain. This is also the case for the construction project in Narvik, which predominantly makes use of local direct suppliers. The risk remains, however, that the Company could be directly linked to adverse impacts through its indirect suppliers, particularly in the categories electronics and computer equipment, sectors with typically higher supply chains risks. The Company is in the process of following up with its direct suppliers to better understand any such potential adverse impacts that may arise through these supply chains.

Aker Horizons' limited number of direct suppliers from higher risk countries (specifically, Brazil, Greece and the US) are for the most part providers of consultancy services, a category that has been considered low risk.

Aker Carbon Capture

Aker Carbon Capture's human rights impact assessment did not identify any actual adverse impacts linked to, contributed to or caused by the company's own operations, suppliers or customers. Considering Aker Carbon Capture's operating model, the geographic location of its suppliers, combined with the limited use of migrant workers, labor-intensive work and low-wage labor, Aker Carbon Capture's assessment is that the risk of adverse human rights impacts materializing in its own operations or supply chain is limited. Furthermore, the items procured by the company are highly technical in nature and require skilled competence, which reduces the risk of child labor specifically.

Nevertheless, the company recognizes that the potential for adverse impacts on human rights cannot be categorically ruled out based on the above risk-reducing factors alone, and therefore considers due diligence, regular risk assessments and continuous monitoring to be of utmost importance to prevent, detect and respond to potential adverse impacts on human rights.

Mainstream Renewable Power

An overview of Mainstream's human and labor rights risks will be included in the full Transparency Act Due Diligence Report, following a human rights impact assessment in in the first half of 2023.

Performance commentary

During 2022, Aker Horizons has made significant progress to further improve its management approach and processes with regard to human rights. Through the performance of an initial human rights impact assessment on parts of the Aker Horizons Group, a solid base for further work for the protection and promotion of human rights has been established. Furthermore, updates to internal procedures and processes set the stage for continuing to deepen the integration of human rights considerations in all activities. This is a complex area of work, and there is inevitably room for improvement. Some risks of adverse human rights impacts can be significantly reduced through the development and implementation of internal procedures and processes. Others are more profoundly challenging, particularly where such risks are inherent in the nature of current global value chains in the green transition - such as the need for metals and minerals, and the current concentration of the production of input factors in challenging geographies.

Going forward

Going forward, Aker Horizons will focus on its risk-based approach to human rights and human rights due diligence, including following up on newly introduced processes to ensure all new suppliers are screened using social criteria. The Company will also work continuously to further embed human rights assessments across the portfolio. For Aker Horizons' own operations, this includes following up specific suppliers identified as representing a higher risk, to understand how they implement human rights due diligence in their own operations and supply chains.

A priority for 2023 is to complete a full human rights impact assessment for the whole of the Aker Horizons Group, in order to enable reporting pursuant to the Norwegian Transparency Act by the close of the first half of 2023. Aker Horizons will support its portfolio companies in identifying risks to and taking steps to safeguard human and labor rights throughout their own operations and value chains. The aim is to ensure that every company works systematically to monitor and mitigate risk and act responsibly in delivering on its human rights pledges.

In order to more effectively contribute to the identification of human rights violations, Aker Horizons will also train key personnel on the procedures for conducting human rights audits. This will be in addition to continuing general human rights training and awareness-raising, including coverage in Compliance and Sustainability training courses.

Health, safety and well-being

Maintaining a positive, safe and healthy work environment for all employees in our portfolio and in our value chain is Aker Horizons' key priority. Health and safety management is of particular importance in projects in the Group that have reached construction and operation phases and therefore entail a higher risk. Aker Horizons is strongly committed to ensuring the health, safety and well-being of people as a way of creating long-term societal and economic value.

Aker Horizons' approach and performance

Aker Horizons' Sustainability Policy lays out the foundation for the Company's approach to health and safety. Accordingly, Aker Horizons is committed to ensuring a secure working environment that provides the basis for a healthy and meaningful working situation, and that affords full safety from harmful physical and mental influences. Furthermore, Aker Horizons strives for zero harm and continuous improvement throughout its value chain.

Health and safety

All Aker Horizons' portfolio companies and business units manage their own health and safety. As an active owner, Aker Horizons sets clear expectations for high HSSE standards, including adequate work-related hazard identification, risk assessment, incident investigation, control and reporting routines. All our portfolio companies report to Aker Horizons on health and safety issues on a quarterly and annual basis. Aker Horizons expects its portfolio companies to ensure that the high HSE standards cover not only their own employees and contractors, but also extend to their business partners. Due to this approach, Aker Horizons does not have a separate health and safety policy.

Aker Horizons' fully owned asset development arm, Aker Horizons Asset Development, has a separate HSSE policy, which describes Aker Horizons Asset Development's commitment and behaviors across its operations. In 2022, Aker Horizons Asset Development established a management system in accordance with ISO 45001 and 14001 to support its project development and future operations. Aker Horizons' own asset development is at an early stage of EPC activities in one of the asset locations (Narvik), while Aker Horizons Asset Development currently does not yet have any assets in operation.

Thus, the current health and safety risk is mainly located in Aker Horizons' portfolio, in particular those of Mainstream Renewable Power's projects where large-scale construction of renewables infrastructure progressed during 2022.

Performance

Through 2022, health and safety remained a priority for Aker Horizons and its portfolio. Below is a performance overview for 2022. Incident rates for individual companies can be found in the Full ESG Performance metrics.

Incidents in Aker Horizons and its portfolio

	Own employees	Contractors
Fatalities	0	0
Lost-time injuries (LTI)	3	6
Medical treatment cases (MTC)	1	3
Total recordable injuries (TRI)[10]	4	9

In 2022, Mainstream, the only company in Aker Horizons' portfolio with projects at all stages of development and operation, continued its strong track record in health and safety. For the company, 2022 was a year in which more than 3.7 million employee and contractor hours were recorded in the build-out and operation of multiple wind and solar power assets. There were no fatal incidents, and the number of environmental, health and safety events deemed to have posed a high risk of serious injury or death, known as a Significant Incidents with Potential (SIPs), was well below Mainstream's own target limit of 4.0 per million hours worked, and achieved a rate of 1.75 across all Mainstream's activities. There were more than 2,200 field observations and safety walks, focusing on turbine and solar power commissioning, substation activities, lifting, development site visits and logistics.

There were no SIPs among Mainstream's own employees. Following two SIP LTIs involving contractors in Chile, a lessons learned process was completed. This resulted in the introduction of a safety culture campaign to reinforce safety in construction and support safety-related activities.

A year of zero accidents at multiple wind farms

Mainstream's commitment to safety is paramount. A safe and productive workplace during construction and operation of large renewable assets often depends on excellent teamwork, communications and compliance, not just between Mainstream employees, but also among the contractors they work with.

In 2022, such cooperation was exemplified at a number of Mainstream's wind farms in Chile. The company's Llanos del Viento Wind Farm had zero accidents over 365 days, involving 516,236 accumulated hours worked and 40,340 cumulative training hours. The Caman Wind Farm also recorded 365 days with zero accidents, during which 8,000 m^2 of concrete, 920 tonnes of iron and 270,000 m^3 of earth were moved.Safety statistics such as these are reflected in Mainstream's operations globally, due to its 'safety-first' approach to everything it does. Safety is Mainstream's number one value and is applied at all levels of the business.

[10] *Mainstream Renewable Power also includes First Aid Cases in TRI figures, but they have not been included in the table for comparability. In 2022, Mainstream recorded 5 First Aid Cases for own employees and 12 for contractors.*

To further embed safe practices into the company's corporate culture and to comply with regulations across different markets, Mainstream's Safety, Health, Environment and Quality team delivered more than 56,000 hours of training in a variety of subjects, averaging 1.7 hours for every employee and contractor. In 2022, Mainstream intensified its ISO systems maintenance and risk mitigation efforts at its main hubs by delivering thousands of hours of training based on country-specific mandatory requirements.

Aker Carbon Capture operates with a zero harm mindset and the belief that all incidents can be prevented. As construction activities commenced at the Brevik CCS and the Twence CCU projects in 2022, several operational safety-related procedures and measures were implemented. Aker Carbon Capture obtained the ISO 45001 certification for Occupational Health and Safety in 2022, conducted mandatory HSSE training sessions and went a full year with zero incidents.

The same was the case for Aker Horizons' EPC work in Narvik, where no injuries were recorded beyond two low-impact first-aid cases. One noteworthy discovery was made on the first day of site works - an undetonated bomb from World War II, which was immediately secured and dealt with by the Norwegian Armed Forces before work could continue. The day-to-day follow-up of this project is managed by Nordkraft, Aker Horizons' JV partner in Narvik. Follow-up measures in 2022 included participating in walkthroughs of HSE requirements for contractors, conducting weekly announced and unannounced site visits and participating in HSE inspections, and following up any identified deviations and improvements. At the start of 2023, the Norwegian Labor Inspection Authority made an unannounced visit to the site and the preliminary report has concluded that there were no deviations and that health and safety was considered well maintained.

Further details on management processes at the level of Aker Horizons' portfolio companies can be found in the chapter on Responsible Business Conduct, under "Management systems".

Well-being

Aker Horizons' ambition is to foster well-being in the workplace by providing a good and inclusive working environment, enabling low levels of absence due to illness and retaining a highly skilled and motivated workforce. Aker Horizons strives to offer offer flexible working hours and safeguard employees' preferred work-life balance. These ambitions are also expected from portfolio companies.

In the Aker Horizons employee engagement survey conducted in 2022 (response rate 92 percent), the majority of employees stated that the Company cares for its employees and that they are very satisfied to work here.The satisfaction level was 74 percent based on "agree" and "strongly agree" replies to the question "Most of the time, I am very satisfied to work here". The survey also revealed that employee satisfaction could be improved even further by the staging of more social activities. This was a key piece of feedback for a relatively newly established company. A social plan for the year was devised and implemented, containing off-site gatherings and other initiatives for people to come together and get to know each other.

The well-being of their people is also high on the agenda for the other companies in the Aker Horizons Group. Aker Carbon Capture has implemented a bi-annual well-being survey, and established processes for addressing the results. Mainstream received strong results on their employee satisfaction survey, and the company was rewarded with a reconfirmation of Mainstream as a Great Place to Work in 2022.

Aker Horizons has established limited core hours and a flexible working model with opportunities to work from home. By offering flexibility, the Company aims to support a healthy work-life balance. Results from the employee engagement survey showed that the majority of the employees believe that their workload is reasonable. Ensuring a healthy work-life balance will continue to be a focus going forward.

Alongside competitive compensation, Aker Horizons offers comprehensive benefit packages to all its own employees, regardless of their type of employment contract. This includes an on-site health and wellness center. Aker Horizons also offers an insurance package, which covers occupational injuries, personal accidents, sickness, disability and travel, as well as group life insurance.

92%

Employee engagement survey response rate

74%

Satisfaction level

Health promotion

In addition to healthcare and insurance plans, Aker Horizons offers a comprehensive wellness program for all employees. This includes access to an on-site private health center, where Aker Horizons employees have access to a physician, health counseling and medical treatment.

Aker Horizons also focuses on addressing non-occupational aspects of life, such as healthy diets and physical activity, by providing access to healthy food options at our headquarters office' canteen and membership of the on-site Lifestyle fitness center. All Aker Horizons employees are also offered membership of the training and lifestyle portal Aker Active. To provide adequate flexibility, all services for physical activity can be used by our employees during paid working hours as well as after work.

In 2022, excluding several internal career moves across the Aker Group, staff turnover at Aker Horizons was 11.6 percent. The turnover rate for the Aker Horizons' portfolio totaled 11.5 percent.

Performance commentary

Aker Horizons notes the extensive efforts being made across the Group to safeguard employee health, safety and well-being. The Group also notes the low numbers of LTIs (3 for own employees, 6 for contractors) and TRIs (4 for own employees, 9 for contractors). Aker Horizons was also pleased to see an increase in HSE training across the Group, and supports the continuation on this endeavor.

Aker Horizons also observed that investing in its people brought results in terms of both the very high response rate for the employee satisfaction survey as well as the relatively good results. Nonetheless, there remains room for improvement, and the well-being of our people will continue to be a priority.

Going forward

As Aker Horizons develops and expands its operations in projects, the Company will focus its efforts on ensuring that the health, safety and well-being of its people are always a priority. Aker Horizons will continue to set high health and safety expectations for its business units and portfolio companies, requiring them to manage risks and create a strong and proactive HSE culture. Aker Horizons will also continue to closely monitor health and safety performance across the Group.

In Narvik, the ambition is to continue the focus on on-site follow-up, and additionally focus on working hours, updates to site-specific HSE plans and monitoring the overall risk picture.

Diversity, equality and inclusion

A diverse and inclusive workforce is the foundation for building an agile and future-fit business, and driving progress. As a socially-conscious company, Aker Horizons plays a role in promoting equal opportunities. Our people are our greatest asset and their diversity also provides a strong business advantage.

Aker Horizons' approach

Through Aker Horizons' Sustainability Policy, the Board of Directors has established the commitment that the company will strive to ensure equality, diversity and inclusion throughout its business. Aker Horizons shall ensure equal opportunities and strive for a balance between the genders, increased diversity and inclusion at all levels and in all parts of the businesses. Aker Horizons does not tolerate any form of discrimination on the basis of, for example, gender expression, sexuality, disabilities, race or religious beliefs.

Through the recruitment process, the Company works actively to provide equal opportunities and ensure a more diverse workforce by addressing typical barriers and implementing adequate measures.

In 2022, Aker Horizons implemented 'Guidelines for equality, diversity and inclusion for governing bodies and executive management', a new requirement under the Norwegian Accounting Act. These are available on Aker Horizons' website. According to the guidelines, Aker Horizons' Board of Directors should consider a variety of perspectives in its decision-making process, which may be achieved through diversity in gender, background, education, experience, expertise and other factors, and the inclusion of independent directors. Other Aker Horizons' governing bodies, and governing bodies in the portfolio companies, are also encouraged to ensure a gender balance, as well as diversity in age, background, experience and skills.

Diversity is also important in executive management. Aker Horizons' executive management comprises the CEO and CFO, and it is therefore important to look at the broader organization when considering gender balance. The Company works systematically to ensure equality, diversity and inclusion throughout its business, with a long-term ambition of gender balance at all levels, diversity in background, education and competence, the inclusion of people with disabilities and other factors. This ambition extends to the portfolio companies, through active ownership and via board positions.

All of the companies within the Aker Horizons Group are focusing on strengthening diversity and inclusion in their organizations. Mainstream Renewable Power has a dedicated Diversity and Inclusion committee and is working on a structured program devoted to those issues. Aker Carbon Capture has implemented concrete measures to prevent unconscious biases in the recruitment process, has specific inclusion ambitions and has introduced a new Equality Procedure.

Aker Horizons aims to ensure equal pay for work of equal level, scope and responsibility. Variations may occur due to differences in the level of skills and experience employees bring to the role. The Company conducts a yearly analyses to understand and address any gender pay gaps.

All companies in Aker Horizons' portfolio have implemented measures to ensure fairness in their recruitment processes, and they all have a Code of Conduct that specifically addresses equal treatment and non-discrimination in the workplace.

As a way of promoting a diverse workforce in portfolio companies, Aker Horizons collects data related to diversity and inclusion from all its companies across the portfolio. Performance on diversity is reported to Aker Horizons on an annual basis, in accordance with the Norwegian Diversity Report. During 2022, the Company introduced four gender options in its systems and reporting; male, female, other* (*gender specified by the employees themselves) and not disclosed. No other genders than male and female were reported, and are therefore not included in the graphics.

Performance

The percentage of women at Aker Horizons has been relatively stable throughout 2022, and at year-end women constituted 32 percent of the workforce. This is still below our ambition, and Aker Horizons will continue to implement measures to increase diversity, with a special focus on gender. There is great diversity in the nationalities represented in Aker Horizons' workforce, with a total of 22 different nationalities reported at year-end. This is an important contributor in building a strong, diverse and capable workforce. The average age of our employees is 44.

In the employee engagement survey conducted in 2022, the vast majority of employees responded positively to the statement "people of all kinds/cultures and backgrounds are valued here" (agree, strongly agree), which indicates a sense of inclusion in the organization. Yet, the ambition is to improve this score.

As the owner of portfolio companies, Aker Horizons aims to have diversity in capabilities, and highly qualified board members and managers who serve as role models in their companies. Aker Horizons, including all portfolio companies, currently have 50 percent female CEOs, and their management teams consist of 38 percent women, which is an increase since year-end 2021. This demonstrates that the focus and initiatives implemented to increase gender diversity are proving effectful. Gender diversity at the CEO level is above the national average in Norway[11]. The same goes for executive diversity, where Aker Horizons, including all portfolio companies, score 13 percent above the national average in Norway.

The number of employees working for Aker Horizons and its portfolio companies decreased during 2022, largely due to the sale of REC Silicon and Rainpower. The percentage of

[11] *CORE Norwegian Gender Balance Scorecard 2020:* https://www.samfunnsforskning.no/core/english/publications/Infographics/core-norwegian-gender-balance-scorecard/core-norwegian-gender-balance-scorecard-200---2020.pdf

women employed increased from 27 percent to 35 percent across the full portfolio of companies.

People from 49 different nationalities are employed by Aker Horizons, including all portfolio companies, which is an increase from 2021. Aker Horizons aims to foster diversity in national origin and background in its organization going forward.

All those employed by a Norwegian Aker Horizons entity, are entitled to parental leave. To better support its employees, Aker Horizons offers full wages for primary caregivers in connection with childbirth or adoption. Aker Horizons also pays full wages when employees' family members are ill, provided that the Norwegian National Insurance Scheme's criteria for payment of care benefits or attendance allowance are met. In 2022, seven employees took parental leave, two women and five men. The women took an average of 15 weeks' parental leave during 2022, while the men took on average seven weeks. This number is not adjusted for parental leave being distributed across different years, which was the case for most of the employees in question.

In 2022, no cases related to discrimination, harassment or other unacceptable behavior was reported in Aker Horizons. For further information on procedures to enhance ethical behavior, see the section Responsible business conduct.

Performance Commentary

During 2022, Aker Horizons made significant progress to further strengthen its focus on diversity and equality. The Company implemented 'Guidelines for equality, diversity and inclusion for governing bodies and executive management' and launched several diversity and inclusion initiatives to raise awareness and understanding, and foster a more inclusive environment. Furthermore, Aker Horizons changed its systems and reporting formats to include more gender options.

The increase in nationalities represented has strengthened the diversity of the workforce both in Aker Horizons and across the portfolio. Yet, the Company still has a way to go to reach its ambition of gender diversity at all levels and in all parts of the business.

Going forward

Going forward, Aker Horizons will continue working purposefully to create a workplace that not only promotes diversity, but creates a sense of inclusion and allows our people to be themselves and feel appreciated.

In 2023, our main focus area will be to work on gender diversity. We will also continue developing and rolling out diversity and inclusion initiatives through combined efforts between the relevant functions in the Company.

Photo: Aker Carbon Capture

Pride Month at Aker Horizons

In June 2022, Aker Horizons organized a diversity and inclusion program to mark Pride Month. It was a joint initiative across the Aker Horizons portfolio companies and aimed at raising awareness and strengthening employee knowledge of specific topics related to diversity and inclusion, such as LGBTQ+, disabilities, gender, ethnicity and age. The program included deep-dive sessions exploring relevant aspects of gender and sexual diversity from a workplace perspective, giving Aker Horizons an introduction to some key concepts and terms, as well as an understanding of the relevance of diversity in management.

As a part of the program, conversation cards were distributed around the office to spark reflection and increase awareness and knowledge about LGBTQ+ rights. Furthermore, Aker Horizons sponsored Amnesty International Pride bracelets for all its employees. The money raised went to support Amnesty's work for LGBTQ+ rights internationally.

In response to the attack on the LGBTQ+ community in Oslo in June, Aker Horizons chose to dedicate the proceeds from the sale of excess shares from the merger with Aker Clean Hydrogen and Aker Offshore Wind to three organizations working to promote diversity and inclusion.

Talent attraction and development

Aker Horizons and its portfolio rely on highly skilled people, and in a competitive market, talent attraction and development is central to realizing Aker Horizons' ambitious climate goals and delivering on our strategy. Attracting, developing and retaining the right talent is a priority for Aker Horizons, and this is becoming increasingly important as the Company's activities and ambitions extend to locations ever further afield.

Aker Horizons' approach and performance

Aker Horizons' approach to talent attraction involves participating in career days at universities and schools. In 2022, Aker Horizons and several of its portfolio companies held presentations at open days at institutions such as the Norwegian University of Science and Technology (NTNU) and the Arctic University of Norway (UiT) in Narvik. Representing companies across the Aker family, the Aker group staged its own career day at NTNU. This was an opportunity to showcase the breadth of competence areas and opportunities available in the Aker group. Some of the portfolio companies run internship programs, which has resulted in permanent appointments.

Aker Horizons' employees are offered competitive compensation and rewards, and varied work opportunities. All Aker Horizons' new hires are onboarded and integrated into the Company's way of working. The Company provides mandatory training on sustainability and compliance, and offers continuous industry insights. Aker Horizons and portfolio companies actively promote skills development by providing employees with various training opportunities. An overview of specific data on average hours of training per employee across the portfolio can be found in the full ESG performance metrics.

Competence development is also stimulated by ongoing professional growth, largely through on-the-job training and working on different projects. Furthermore, Aker Horizons increasingly offers function-specific or specialist training to staff, to encourage continuous learning and development.

To ensure and stimulate professional development, all employees in Aker Horizons and across the portfolio participate in a performance review twice a year.

There are also cross-Aker initiatives, such as the CXO program, Aker Talent Student Challenge and Aker Scholarship. Furthermore, talent attraction and development to fill career opportunities across the Aker Horizons Group and wider Aker group of companies is actively managed.

The combination of initiatives described above is expected to help make Aker best-in-class when it comes to attracting talent, reducing staff turnover, building skills within the organization, and enabling personal and professional growth for its employees.

Performance commentary

In 2022, Aker Horizons and the portfolio companies successfully attracted and hired talent at all levels of the organization. Being present and establishing a strong link to schools and universities internationally is part of our strategy to build a strong pipeline of talent from an early age. Likewise, through targeted search, campaigns and recruitment internationally, the companies were able to secure both functional and technical specialists at mid- and senior level to drive our business forward.

Going forward

Building the Company's employer proposition and securing the required competence will continue to be a focus in 2023.

Along with other Aker group talent initiatives, the CXO program will continue in 2023. The program's new cohort of executive talent includes participants from Aker Horizons and its portfolio companies.

The focus on regular development dialogues, skills training and other leadership development programs across Aker Horizons and its portfolio companies will continue in 2023.

Aker-wide initiatives for talent attraction and development

CXO program

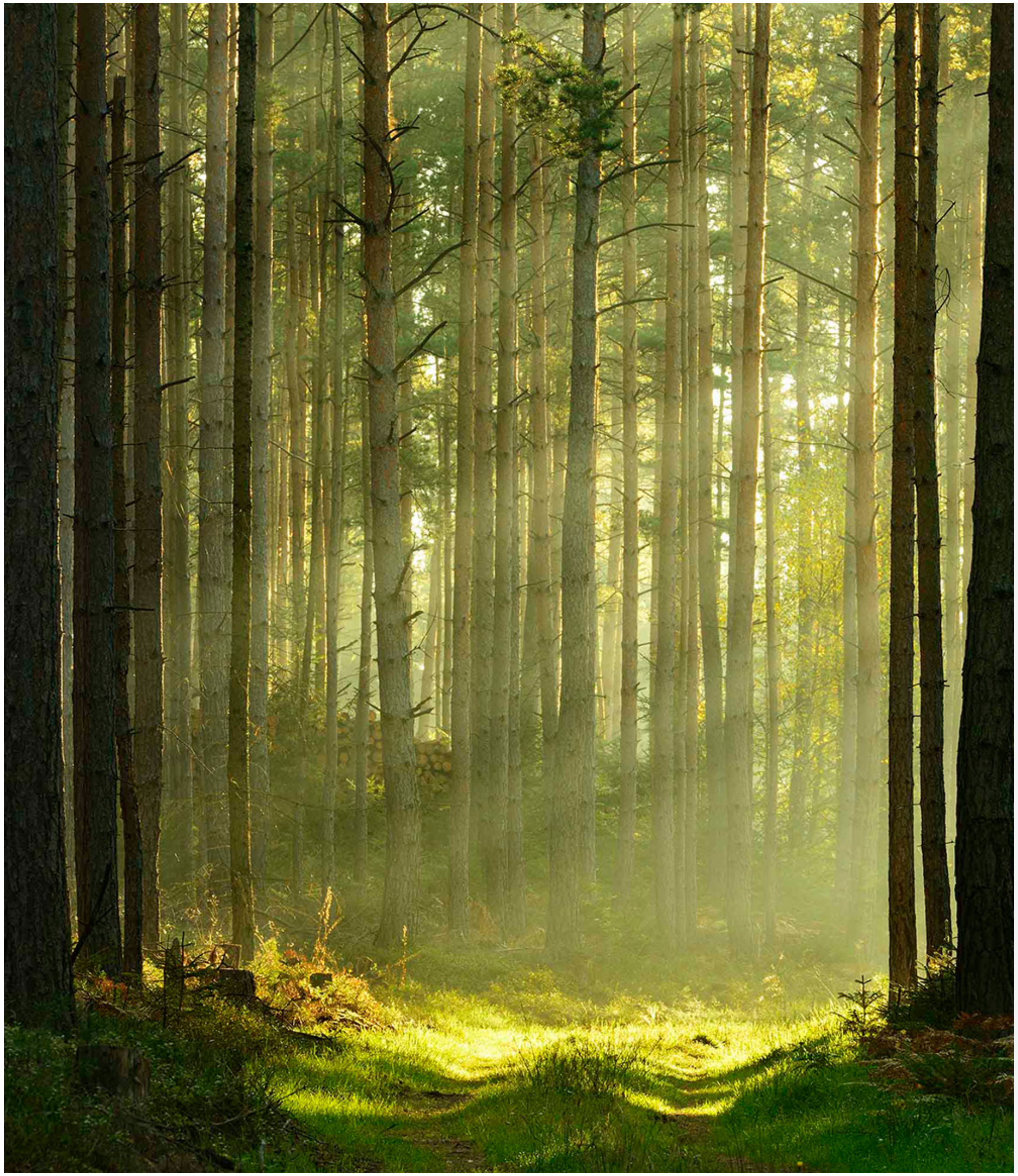
In 2022, the Aker group initiated a new, year-long leadership program, named CXO, to develop its future executives. The pilot launched in March and included 10 men and 10 women from different Aker companies, including Aker Horizons' portfolio companies. The CXO program focuses on expanding business acumen as well as personal leadership development, including building greater self-awareness, goal setting and stakeholder management. Overall, it is designed to develop an understanding and shared perspective of what it takes to be an executive in the Aker group and how to make a positive difference. In February 2023, another 12 men and 12 women from 12 Aker companies began a similar journey. Through a series of five modules, the group will deepen its insight into each Aker company, learn about different segments within renewable energy, work on personal leadership, and build a personal executive leadership toolbox. A mentoring process is also part of the program, to help apply what they have learned to their daily practice.

Aker Talent Student Challenge

For the fifth time, 12 Aker companies, including Aker Horizons, invited 40 students to the Aker Talent Student Challenge at Fornebu, Norway, in 2022. The students were given 30 hours to find solutions to make the companies fit for the future. The case challenges covered a range of topics related to the theme "Power the Energy Transition". Aker Horizons had a student group working on a case related to developing future green industries in the Narvik region, and provided two experts to guide them in their work. Our portfolio of companies contributed cases related to both low-carbon fuel and urban mining, connected to the increased need to develop green industry within sustainable social and environmental boundaries. A number of participants were subsequently offered internships or graduate positions in various Aker companies.

Aker Scholarship

The Aker Scholarship supports Norwegian top talent from all fields of study to take Master and Ph.D. degrees at nine world-leading universities. Seeking to develop future leaders for business, academia and society at large, the students are secured full funding of their studies as well as substantial guidance and practical support during their studies and early careers. Since 2015, 169 students have benefited from an Aker scholarship. In 2022, 25 new students were offered scholarships. The grant is awarded by Anne Grete Eidsvig and Kjell Inge Røkke's Charitable Foundation for Education, which is privately funded by Kjell Inge Røkke. Aker is responsible for operating the foundation, with Aker President and CEO Øyvind Eriksen chairing the foundation's board. At the end of 2022, four former Aker Scholars were employed in Aker Horizons and Aker Horizons' portfolio companies.



Prosperity for All

Aker Horizons and its portfolio companies contribute to prosperity for all through the development of green industries and the creation of long-term value for the communities we operate in. To realize this ambition, Aker Horizons and its portfolio companies create jobs, develop skills for the future, innovate, and invest in research and development. Aker Horizons' purpose to solve fundamental challenges to sustainable existence is, at its core, about protecting, preserving and restoring prosperity for all.

In this chapter, one material topic has been identified for Aker Horizons:

- Local communities

Local communities

Being a planet-positive company entails being respectful of the rights of the communities in which Aker Horizons and its portfolio companies operate, and creating long-term value for them. Engaging in dialogue with, and understanding the needs and expectations of, local communities is critical to building mutual trust. It is also a prerequisite for obtaining a social license to operate.

Aker Horizons' approach and performance

Aker Horizons is committed to using its presence in local communities as an opportunity to have a positive impact. As Aker Horizons and its portfolio companies expand operations globally and mature projects, they will continue striving to create long-term value creation for the local communities in which they operate.

Across Aker Horizons and its portfolio companies, there is a strong focus on building intellectual capital as knowledge-based businesses, with a focus on research and development. Investing in, and sustaining, innovation is viewed as a success factor. Aker Horizons can contribute to the prosperity of local communities through economic development and job creation, or by supporting cornerstone industry development, thereby also contributing to thriving communities in small or remote locations.

At the same time, Aker Horizons and its portfolio work through all stages of project development to prevent, detect and address any potentially adverse environmental and social impacts.

Further information on how Aker Horizons and its portfolio companies are investing in innovation and research and development can be found in the chapter on Planet-positive impact.

Building trust

Aker Horizons and its portfolio companies are committed to engaging fully with local communities. To obtain a license to operate and receive valuable input, they work continuously to build trust with local communities through direct dialogue as well as through media communication and participation at relevant conferences.

Mainstream Renewable Power has for years been actively building relationships with local communities. The company practices early and regular engagement, starting at the outset of the project to understand any concerns local communities may have, in order to take these into account during the project design phase. Mainstream has dedicated community liaison officers for all its project locations to ensure that communities' needs and concerns are well understood. The company has established a Global Development Standard and a Community Charter that guide its engagement with local communities. Its Global Development Standard outlines a stakeholder engagement approach that is aligned with international performance standards, such as the International Finance Corporation's Sustainability Framework and the Equator Principles.

While Mainstream, the company with the longest operational track record in Aker Horizons' portfolio, has long-standing underlying procedures for engagement with local communities, the rest of the portfolio is focusing on building strong and productive engagements with the communities in which their projects are under development.

245

new jobs created

Creating jobs and building skills for the future

As Aker Horizons and its portfolio companies expand their outreach, they also create new jobs and provide training opportunities that will boost the communities in which the projects are located. While the total number of employees working for Aker Horizons and all the portfolio companies decreased in 2022 due to the sale of REC Silicon and Rainpower, 245 new jobs were created during the period. By the end of 2022, Aker Horizons and its portfolio companies together employed the equivalent of 970 full-time employees (FTE).

Throughout its portfolio, Aker Horizons promotes investments in development, training and future skills in the local communities in which it operates.

Collaboration with academia

Both Aker Horizons and its portfolio companies have established collaborations with various universities to support research and build future skills that may contribute to sustainable industrial development.

In Narvik, Aker Horizons has established a collaboration with the Arctic University of Norway (UiT) Faculty of Engineering Science and Technology to develop the skills and competencies required for the green industrial jobs of the future. The collaboration is part of Aker Horizons' development of a green industrial hub in Narvik, Northern Norway, where UiT offers several engineering programs. Since Aker Horizons' project in Narvik will require a vast array of technical skills, partnering with the UiT is a way to support the university with its educational and research programs in the field of engineering and technology, while simultaneously building the required skills among the local workforce. For further information on Aker Horizons' work on talent attraction and development, see the dedicated section.

Mainstream Renewable Power is also actively engaged in collaborations with various local universities. To support research and local skills development, Mainstream has signed an agreement with the University of Antofagasta in Chile to educate workers on environmental management, fauna rescue and rehabilitation. The company has also collaborated with academic institutions on environmental studies on costal birdlife in Chile, as well as on a pilot project for wind turbine blade recycling in the UK. For further information, see the section on Planet-positive impact.

Aker Carbon Capture views collaboration with universities and scientific institutions as an important tool for innovation, and is a member of the Norwegian CCS Center (NCCS), hosted by the Norwegian organization SINTEF, one of Europe's largest independent research organizations, and the Norwegian University of Science and Technology (NTNU).

Primary Care Clinic launched in Witzenberg, South Africa

As part of its socioeconomic development program prioritizing local healthcare, Mainstream's Perdekraal East Wind Farm - part of the Lekela Power platform - worked in partnership with the Ceres Provincial Hospital to launch a new mobile clinic, providing free healthcare services within the local community. The clinic was launched in August 2022 at the Bella Vista Community Hall, with several community members and local healthcare service providers in attendance to mark the new service. The mobile clinic provides a range of health care services, including family planning, referrals for safe TOP & STOP Breast examination; cervical smear screening, immunization, COVID-19 testing and vaccination; TB screening and testing; and HIV screening and testing.

Investing in communities

Aker Horizons invests in community projects to support local culture and society. In 2022, Aker Horizons sponsored Vinterfestuka (the Winter Festival) in Narvik. The festival celebrates the construction of the famous Ofoten iron-ore railway, which was built around 1900 to unite the port of Narvik with the Swedish iron-ore mines. Today, it still unites the town with the Sweden border. The Winter Festival celebrates the town's historical and cultural heritage through concerts, dance, theater performances, art and exhibitions. Aker Horizons is committed to making Narvik a great place to live and study by supporting the festival with discounted tickets for students at the UiT in Narvik.

Mainstream has been supporting local value creation for years through its contribution to community development and economic prosperity where it operates. In 2022, the company supported a range of small local business, training programs and other initiatives to boost local economic activity. Over the course of 2022, Mainstream and its partners invested approx. EUR 4.6 million in community initiatives to promote business development and the creation of new skills and jobs at its locations in Latin America, Africa, and Asia Pacific.

Performance commentary

In 2022, Aker Horizons and its portfolio companies built and sustained robust relationships with local communities. Aker Horizons established a good relationship with the community in Narvik where the Company is developing one of its flagship projects. Aker Horizons opened a local office in Narvik in 2022 and expects the engagement in Narvik to allow for a productive collaboration and valuable input from the local community.

Among Aker Horizons' portfolio companies, Mainstream in particular has a solid track-record of building good community relations, through local investment and capacity building - and 2022 was no exception.

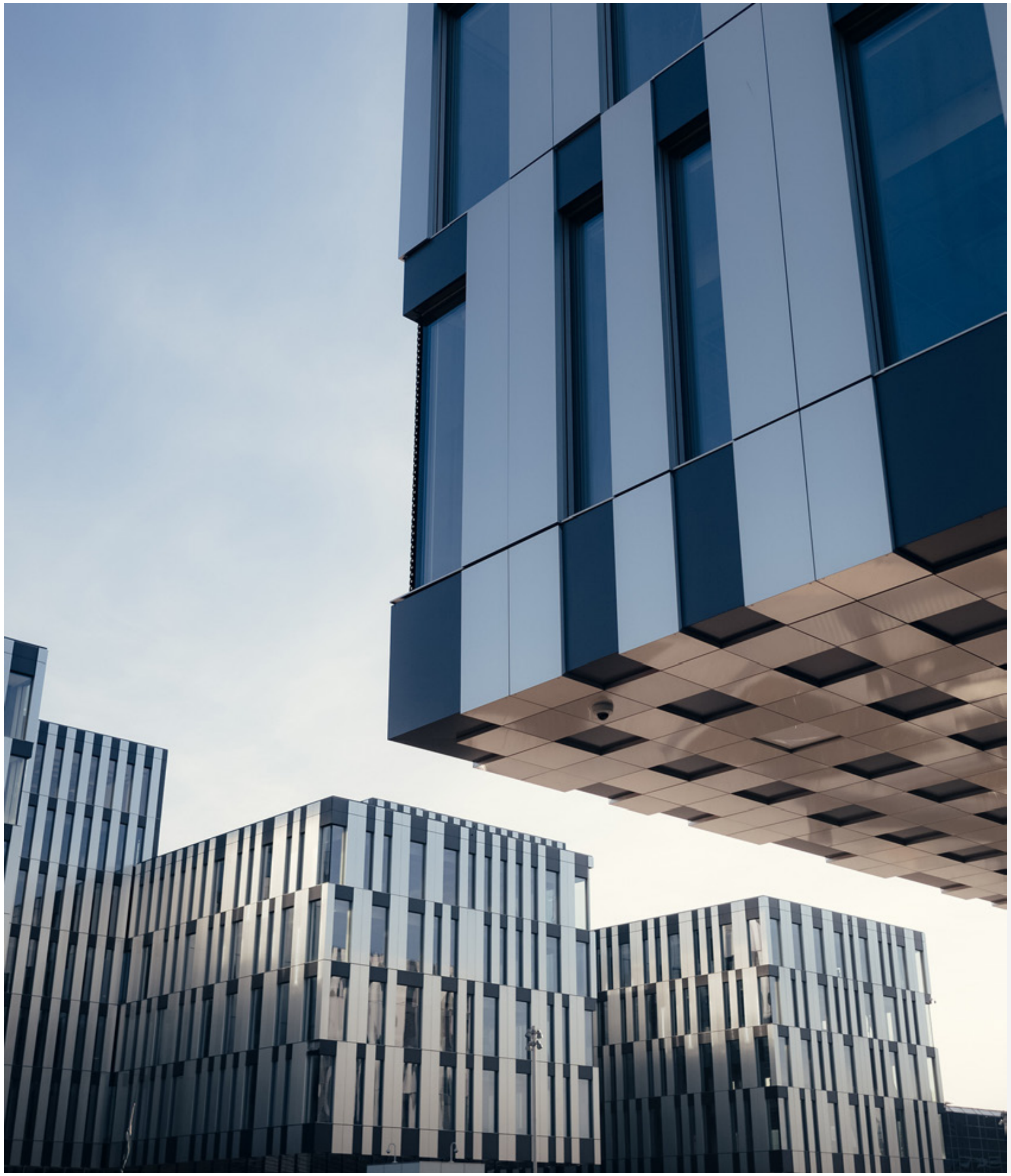
Partnerships with academic institutions form an important part of Aker Horizons' engagement with local communities. The Company's aim is to support research that will further develop green technologies and climate solutions.

Going forward

Aker Horizons' main objective going forward is to maintain close cooperation with local communities, in order to build mutual trust, gain valuable input and obtain a social license to operate. Aker Horizons will engage and encourage its portfolio companies to develop long-term collaborations to ensure that our industrial projects will create shared value that benefits local communities.

Funding training and providing job opportunities

One critical benefit of the global transition to renewable energy is the significant number of skilled jobs the sector will create worldwide. Mainstream is committed to both funding training and providing job opportunities within the local communities in which it operates. In 2022, Mainstream's South African operation worked with local partners to provide people with training and employment opportunities at wind farms such as Perdekraal East, Noupoort, Loreisfontein, and Khobab. Skills taught ranged from technical training to safety training, including wind turbine service training and business administration, meaning participants had access to a variety of career opportunities within the sector.



Good Governance

Aker Horizons is committed to creating long-term value and views governance as interconnected with economic, environmental and social impact. Good governance is necessary to safeguard the interests of all stakeholders, including shareholders. Furthermore, good governance provides the necessary tools for Aker Horizons to navigate risks and embrace opportunities.

In this chapter, two material topics have been identified for Aker Horizons:

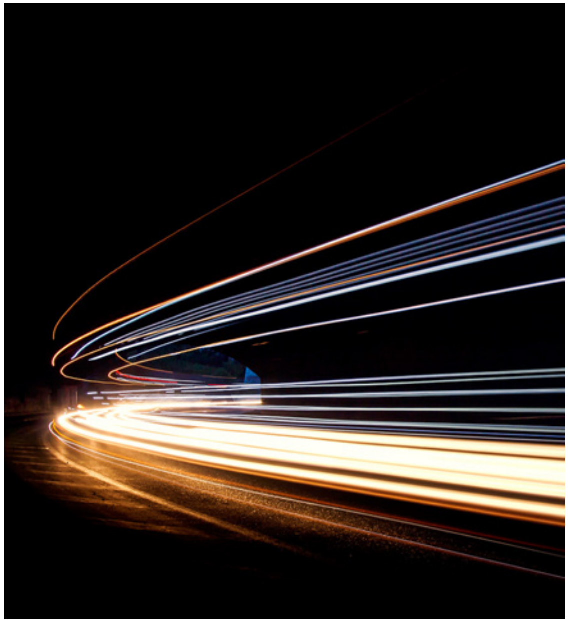
- Responsible business conduct
- Public policy engagement

Responsible business conduct

Responsible business conduct and good corporate governance provide the foundation for Aker Horizons' realization of its sustainability objectives. Aker Horizons' ambition is to develop companies that solve current global challenges while promoting ethical and transparent business conduct. Being an investor and project developer with a portfolio in sectors and geographies that might be exposed to high compliance risks, responsible business conduct is a key priority and underpins our license to operate.

Aker Horizons' approach and performance

Aker Horizons is committed to conducting its business in a socially and environmentally ethical way. Our corporate culture is based on the principles of integrity, transparency and respect for people and the planet. These principles underpin Aker Horizons' approach to investment, ownership and project development, as well as secure value creation for Aker Horizons' shareholders and other stakeholders. Aker Horizons' investors and other stakeholders also expect us to exemplify responsible business conduct, and we are continuously working to live up to their expectations.



Tone from the top

Responsible business conduct is a key concern for Aker Horizons' Board of Directors. The Board sets the Company's ambitions and commitments, targets, strategies and risk profile. This is in line with the general mandate of the boards of directors across the Aker group as ultimately responsible for implementing policies adapted to each company's specific business. Such policies should be suitable to govern the business, meet stakeholder expectations and specific challenges relevant to the company. Aker Horizons' Board also receives and reviews updates on key risks, sustainability, compliance and the Company's corporate governance at least once a year.

The Compliance function is responsible for the implementation and day-to-day follow-up of compliance in Aker Horizons, including risk-based monitoring and controls. The Chief Compliance Officer reports directly to both the General Counsel and Aker Horizons' Audit Committee, with the latter receiving compliance updates at least quarterly.

Aker Horizons' commitment to good governance extends to its role as an active owner. Aker Horizons has clear expectations with respect to its portfolio companies' adherence to responsible business conduct, and ensuing adoption of relevant governing documents, which must meet Aker Horizons' requirements and expectations. In addition, Aker Horizons actively encourages cooperation and transparent dialogue between Aker Horizons' representatives and stakeholders. In practice, day-to-day informal exchanges and interactions built on mutual trust, openness and respect, play an even greater role in our approach to active ownership and form the foundation for cooperation on development, productivity and improvement.

Compliance program

Aker Horizons' compliance program is anchored in the Company's Code of Conduct, Sustainability Policy and Management of Integrity Procedure. Together these documents set out the minimum requirements for integrity standards and integrity compliance programs in the Aker Horizons Group. These documents are further supplemented by other governing documents that set out requirements and provide guidance on important aspects of business ethics and integrity.

Aker Horizons' compliance program is comprehensive and risk-based, and includes regular integrity risk assessments and internal monitoring processes to detect integrity risks. The compliance program aims to prevent, identify and address unlawful conduct, as well as other integrity risks, ethical misconduct and adverse impacts on human rights in Aker Horizons' operations and supply chain. The program comprises multiple, interlinked factors, including, but not limited to, specific procedures, integrity due diligence processes, training and awareness-raising and reporting mechanisms.

During 2022, the compliance program was strengthened with new and updated procedures, targeted training and awareness-raising activities across the Company, the introduction of new third party screening tools and formalized systems for registering conflicts of interest as well as gifts and hospitality (the latter to go live in the first half of 2023).

In Q4 2022, the Compliance function conducted an integrity risk assessment, covering Aker Horizons and the portfolio companies. The assessment, which was based on internal surveys, targeted interviews and a holistic examination of compliance risks, forms the basis for Aker Horizons' compliance priorities for 2023. The results of this risk assessment, together with the 2023 compliance priorities, were approved by the Audit Committee.

Aker Horizons sets the same high expectations for its portfolio companies' compliance programs. As a result, Aker Horizons' Code of Conduct expresses expectations that its portfolio companies will implement their own codes of conduct that adequately address the same principles for ethical behavior. Aker Horizons follows up to ensure that its portfolio companies implement and meet its expectations. Compliance-related performance indicators are reported annually to Aker Horizons, and the reports submitted to Aker Horizons' Audit Committee on a quarterly basis include key data from across the Group.

In 2022, there were no compliance incidents (i.e. instances of non-compliance with applicable laws and regulations or the Company's Code of Conduct) reported in relation to Aker Horizons' own operations or its supply chains.

In the Aker Horizons Group, Chilean authorities conducted 17 inspections of the 10 projects under construction or in operation by Mainstream Renewable Power. Across Mainstream's sites, one contractor received a penalty related to a health and safety incident, and inspections of two construction sites resulted in imported wood being fumigated or destroyed. Mainstream continues to actively engage with communities in the vicinities of all projects, and over the course of 2022, conducted 586 meetings with local communities, indigenous peoples, and regulatory authorities.

Legal compliance

Aker Horizons, in all material respects, complies with all applicable laws and regulations, and conducts its business with integrity, respecting cultures and the dignity and rights of individuals everywhere it operates. In the event of discrepancy between laws and regulations and the standards set out in Aker Horizons' Code of Conduct, the highest standards consistent with applicable local laws shall be applied.

In 2022, Aker Horizons and the Group Companies were not subject to any legal proceedings associated with corruption, fraud, insider trading, anti-competitive behavior, market manipulation, other economic crime, malpractice or violations of other related industry laws or regulations that ended with a penalty.

More information on Aker Horizons' compliance program can be found in the remainder of this section and in the Corporate Governance Report.

Anti-corruption

Aker Horizons has zero tolerance for all forms of corruption, bribery, money laundering, insider dealing and any other financial crimes. Aker Horizons is subject to the anti-corruption provisions of the Norwegian Penal Code, as well as similar provisions in other countries where Aker Horizons operates. Compliance with relevant anti-corruption laws and requirements is a priority for the Company. In practice, this priority is manifested through the compliance program, which has established rigorous controls to identify and prevent both internal and external corruption risks. These controls include a comprehensive compliance risk assessment of Aker Horizons' operations, diligent third party monitoring, and training of employees. Employees in roles considered more exposed to corruption risks receive additional in-depth training tailored to their specific areas.

Training and awareness

All Aker Horizons employees are expected to be familiar with the Code of Conduct, the Anti-corruption Policy and the Sustainability Policy, and are required to complete a mandatory onboarding training program consisting of three modules - integrity, work environment and sustainability - which also includes information on the whistleblowing channel. The training is mandatory for all employees as well as contract staff hired for an extended time period.

Participation is logged and included in quarterly reports to management and the Audit Committee. All employees also receive annual classroom training on a selection of topics from Aker Horizons' Code of Conduct. Employees in higher-risk roles from an integrity risk perspective, notably the investment and procurement teams, receive additional in-depth training on relevant issues. Aker Horizons' portfolio companies have in place similar integrity risk training programs.

In 2022, anti-corruption training was completed by 88 percent of Aker Horizons' employees, 100 percent of Aker Carbon Capture employees, 100 percent of Mainstream Renewable Power employees and 0 percent of Supernode employees[12].The remaining 12 percent of Aker Horizons employees who were unable to attend the anti-corruption training in Q4 2022 will be given an opportunity to attend training in Q1 2023.

Conflicts of interest

Aker Horizons has appropriate norms and requirements for avoiding and managing conflicts of interests, as defined in the Code of Conduct.

The Code of Conduct regulates actual and potential conflicts of interest where a person's personal relationships, participation in external activities or interest in another venture could influence or be perceived to influence a person's decision-making when acting on behalf of Aker Horizons. All business transactions must be entered into solely in the best interests of Aker Horizons. Any conflicts of interest that cannot reasonably be avoided shall be made transparent and reported in accordance with the Code of Conduct and its Related Party Principles. Aker Horizons' managers, together with the Chief Compliance Officer, are responsible for evaluating such disclosures, taking mitigating actions and ensuring that these are implemented.

All types of professional engagements carried out by Aker Horizons' employees in other enterprises which have, or may be expected to have, commercial relations with Aker Horizons, must be approved in writing by Aker Horizons.

Details about Aker Horizons' existing processes for managing and registering actual, perceived and potential conflicts of interest will be formalized in a new Conflicts of Interest Procedure during the first half of 2023.

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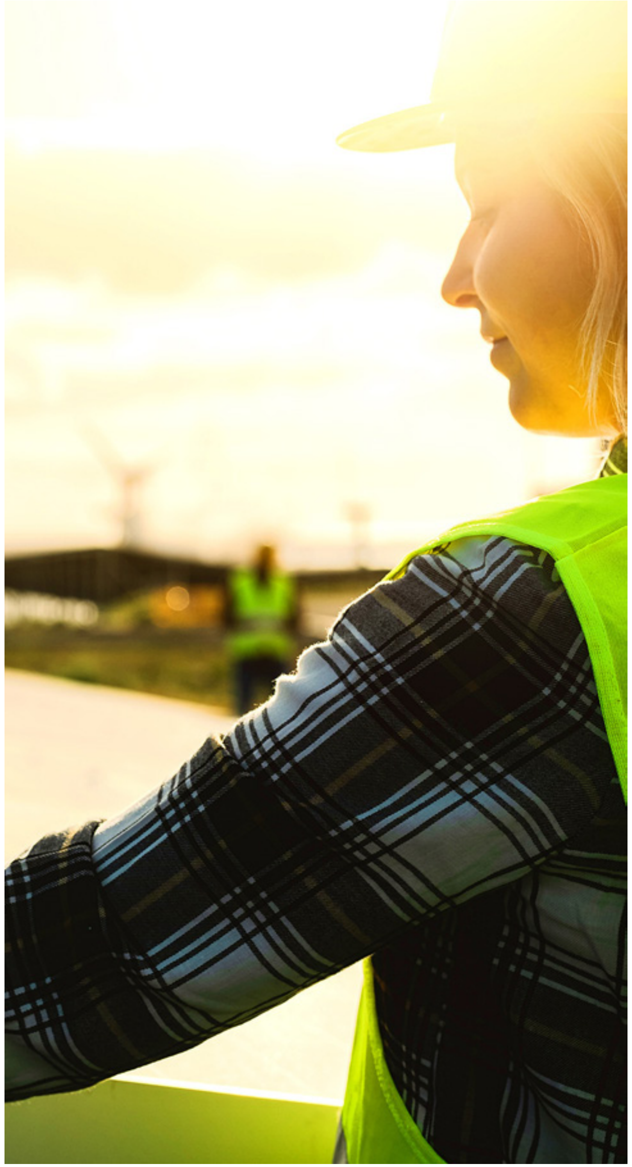
[12] *Training for all employees by Supernode scheduled for Q1 2023*



Reporting concerns

Aker Horizons has a procedure in place which encourages the reporting of unethical and illegal behavior and sets out regulations for the protection of whistleblowers. It also prescribes the mandatory steps the Company must take to investigate and manage whistleblower reports. Aker Horizons has an open and independent third-party integrity channel where suspicions of unethical or illegal activities can be anonymously reported. Reportable concerns include breaches of HSSE rules, discrimination, harassment, insider trading, corruption, money laundering and fraud, or any other violations of ethical norms or guidelines. Matters reported either to managers and board members or through the integrity channel will be managed according to the same procedure.

Whistleblower reports on matters in portfolio companies are addressed via their respective legal and compliance teams. All of Aker Horizons' portfolio companies utilize an independent whistleblowing channel that may be used to raise concerns, both by internal and external parties. In addition, they have dedicated internal reporting channels, which may also be used to report concerns. Aker Horizons' Audit Committee receives reports on how matters are handled and may become involved in cases concerning breaches of high-risk compliance matters or where Aker Horizons personnel are prevented from handling the case due to potential conflicts of interest.

In 2022, eight whistleblowing reports were received across the Aker Horizons Group. Aker Horizons provides ad hoc support to the Group's companies on the follow-up of whistleblowing reports, albeit always on a strictly need-to-know basis.

During the year, Aker Horizons conducted campaigns to increase awareness of the third-party whistleblowing channel and boost awareness and training around whistleblowing generally.

Responsible supply chain management

While Aker Horizons has limited procurement activities, as described in the section on Human and labor rights, responsible supply chain management is important for Aker Horizons as a developer of projects and an owner of companies. Aker Horizons encourages its portfolio companies to ensure responsible procurement and to unlock green supply chains by setting expectations, monitoring and mitigating risks, combating corruption and working actively to prevent and mitigate adverse environmental and social impacts in their supply chains.

Across the Aker Horizons Group, due diligence is conducted on all third parties prior to entering into the business relationship, with enhanced due diligence conducted on third parties operating in high-risk countries or sectors (or otherwise considered to be high risk). Aker Horizons' due diligence process screens for risks related to aspects such as the environment, corruption, human and labor rights, financial crime, and sanctions. All third parties are subject to ongoing monitoring for the duration of the business relationship.

For more information about Aker Horizons' human rights due diligence efforts, see the chapter on Human and labor rights.

In 2022, Aker Horizons implemented a Business Partner Code of Conduct, and requested that its portfolio companies implement a document espousing similar values and requirements. By the end of 2022, all of Aker Horizons' portfolio companies had either adopted their own codes of conduct for business partners or had implemented a practice of requiring business partners to sign up to the principles and values of the portfolio companies' codes of conduct. The Business Partner Code of Conduct can be accessed on Aker Horizons' website.

Aker Horizons' ambition is to set unified standards for best practice in supply chain management across the portfolio. To assess potential risks and opportunities, Aker Horizons includes supply chain risk management in its enterprise risk management process. The aim is to identify and tackle any potential risks and gaps related to supply chain management. Within this framework, Aker Horizons considers environmental and social risks, including human and labor rights risks. The result of the enterprise risk analysis, comprising material risks and mitigating actions, is reviewed by the Board on a quarterly basis.

As an active owner, Aker Horizons expects portfolio companies to develop appropriate due diligence processes to identify, mitigate and prevent any potential adverse environmental or social impacts in their supply chains and to have mechanisms in place that allow for any grievances to be raised and adequately addressed. This includes having good processes in place when awarding contracts and conducting tenders, and developing collaborations with suppliers which will support and drive responsible business practice and sustainable development. These expectations and ambitions have been encapsulated in Aker Horizons' Integrity Due Diligence Procedure which, during the course of 2022, was adopted and implemented across the Aker Horizons Group.

The Norwegian Transparency Act, which entered into force on 1 July 2022, has highlighted the importance of assessing actual and potential adverse impacts on human rights and decent working conditions in the supply chain. Throughout 2022, Aker Horizons, as an active owner, has been building awareness and competence around these important, but challenging, requirements. The objective has been to ensure that appropriate steps are taken - both in Aker Horizons' own operations and supply chain and those of its Group companies (their operations and supply chain) - to implement and comply with the Act. A description of the human rights impact assessment conducted across Aker Horizons' own operations and supply chains is set out in the chapter on Human and labor rights.

In 2022, Aker Horizons collaborated across the Group to support efforts in developing a strategic and unified management of the supply chain. Aker Horizons also has a forum dedicated to sharing information on risk monitoring, and reporting across its Group companies.

Data privacy

During 2022, Aker Horizons worked closely with external counsel to implement a data privacy program which addresses the collection, use, sharing and retention of user data, including data transferred to third parties, in compliance with the EU's GDPR and the Norwegian Act on Personal Data (in Norwegian: *Personopplysningsloven*). The data privacy program is based on a comprehensive risk assessment covering both Aker Horizons' own operations and its third party relationships.

The roll-out of the new data privacy program will include implementation, during the first half of 2023, of a number of new data privacy procedures, along with a governance structure for data privacy management. The new procedures cover areas such as safeguarding data privacy and the handling of personal data breaches and data subject to access requests. In parallel, Aker Horizons is in the process of strengthening existing processes to ensure data privacy issues are adequately addressed in agreements with third parties.

During 2023, training on data protection will be incorporated into the regular compliance training provided to all employees. In addition, relevant employees will receive in-depth training on specific data privacy issues.

Information security

Information security in Aker Horizons is centrally managed by Aker IT Services (AITS) on behalf of a number of Aker companies. In Aker Horizons, good security risk management involves recognizing the value of assets and information, identifying threats and making informed decisions based on a holistic view of relevant risks (including across the areas of cyber security, physical security and personnel security).

Aker Horizons and AITS are committed to continuously improving information security in the Aker group. Underpinning this commitment is a robust governance structure for security management, with clear roles and responsibilities. Risk, threat and incident monitoring is in place, supported by plans for mitigating actions and operational response measures if incidents do occur.

All Aker Horizons employees receive regular training on information security. In addition, AITS conducts regular vulnerability assessments and testing, as well as emergency preparedness training for relevant personnel.

Risk and opportunity oversight

Managing financial risk, strategic, market and regulatory risks, legal and compliance risks, climate risk, and project and operational risks is an integral part of a comprehensive system for risk management and internal control. Aker Horizons' objective for risk management and internal control is to be aware of and understand risks and to mitigate risks in the best possible way. Risk management helps to safeguard assets and the Company's ability to create value and attractive shareholder returns.

Aker Horizons' enterprise risk framework covers all material risks. This includes financial and ethical risk associated with corruption and bribery, tax transparency, compensation and remuneration. Environmental, climate, social and human rights risks are also considered within this framework, including within the supply chain. The result of the enterprise risk analysis, comprising material risks and mitigating actions, is reviewed by the Board on a quarterly basis.

Aker Horizons assesses its own and its portfolio companies' exposure to climate-related risks and opportunities. Aker Horizons assesses portfolio and enterprise-level risk and opportunity exposure qualitatively across various topics on a quarterly basis through the ERM system described above. It assesses climate risk in-depth qualitatively and at a high level quantitatively on an annual basis, and has plans to introduce more detailed quantitative assessments for climate risk specifically. For further information on Aker Horizons' climate risk governance, management and identified risk profile, see the TCFD assessment.

Tax governance

Aker Horizons' view is that transparent tax reporting builds trust with societies and governments in the areas where we operate. Aker Horizons' overall tax principles are set out in the Sustainability Policy approved by the Board. Tax risks are identified, assessed and managed in the portfolio companies in collaboration with Aker Horizons' Head of Tax, and monitored through quarterly tax risk reviews, which include the CFO and General Counsel. Material tax risks are reported to the Audit Committee as part of Aker Horizons' risk management process. Aker Horizons' tax principles are reviewed annually, taking changes in international tax regulations into consideration.

Management systems
The companies in the Aker Horizons Group are industrial enterprises engaged in the development, construction and operation of infrastructure and other industrial development projects. Establishing sound management systems and certifications is therefore important to mitigate risk, avoid serious incidents, exercise control and enable reporting on continuous improvement.

Aker Horizons Asset Development

Aker Horizon's wholly-owned asset development arm was established following the merger between Aker Horizons and Aker Clean Hydrogen in June 2022. The business unit is set up to originate, develop and operate industrial-scale hydrogen projects to meet growing demand for solutions to decarbonize energy-intensive, hard-to-abate industries such as shipping, steel and fertilizers. Initial focus areas include green ammonia, green methanol and green iron. Currently, Aker Horizons Asset Development does not have any operating assets. In 2022, the company built a management system in accordance with ISO 45001 and 14001 to support both projects and future operations. Going forward, Aker Horizons Asset Development will establish HSSEQ policies and set relevant targets for the business unit.

Aker Carbon Capture

Since the company's establishment, Aker Carbon Capture has maintained a certified operating model. In 2022, Aker Carbon Capture was recertified according to the Occupational Health and Safety Management System standard ISO 45001:2018, the Environmental Management System standard 14001:2015 and Quality Management standard 9001:2015. Additionally, offices in the UK and Denmark were added to the certification scope.

Mainstream Renewable Power

Safety is Mainstream Renewable Power's number one value and the company is committed to applying the highest standards of health, safety and environmental management. The overarching quality management system and the environmental management system, which is certified to ISO 9001 & 14001 respectively, in Ireland, Chile, South Africa and Vietnam are important to both guide and improve environmental performance where the company is developing, constructing and operating renewable energy assets. Occupational health, safety and wellbeing is paramount to Mainstream when they construct and operate energy projects. Their safety management systems which are ISO 45001 certified in Ireland, Chile, South Africa and Vietnam signals the company's commitment to worker health and safety.

In 2022, their IS Management Systems (ISO 27001 and ISO 20000) were renewed for the Mainstream Ireland office. Mainstream's IS Management Systems have been certified since 2012 and 2013 respectively and these renewals are valid until 2024. In 2022, central parts of Mainstream's management systems were updated with new sustainability criteria and assessments, including its enterprise risk management system, policies, training material for human rights and anti-corruption, and key environmental certifications. In 2022, Mainstream Ireland received its third 'Great Place to Work' certification.

Performance commentary
Aker Horizons has, over the course of the year, strengthened its compliance program and made good progress to secure a unified and ambitious approach to promote responsible business conduct across the Group. With several new policies and procedures in place, training implemented and reporting mechanisms strengthened, there is a solid foundation in place for continued work in this area.

As a result of Aker Horizons' portfolio-wide endeavors to deliver training on integrity and ethics to employees (including temporary staff), the bulk of the workforce has increased its competence in this area. The Company considers that this has reduced the risk of compliance violations, while recognizing that continued efforts remain necessary.

Going forward
Priorities for Aker Horizons going forward include closely monitoring the evolving regulatory landscape with its increasing requirements regarding responsible business conduct. These developments are welcomed by Aker Horizons, as they are aligned with the Company's own sustainability and compliance ambitions.

For instance, there is increasing focus on responsible supply chain management. The Norwegian Transparency Act is one example of this, another is the upcoming EU Corporate Sustainability Due Diligence Directive, which is expected to be approved by the European Parliament and Council in 2023.

This EU directive will go even further, requiring companies to identify and, where necessary, prevent, end or mitigate adverse impacts on human rights and the environment resulting from their activities. In 2023, Aker Horizons will focus on deepening its engagement with suppliers on sustainability topics. As part of the efforts to accelerate the green transition, the Company will continue to focus on preventing unethical behavior in its operations and projects.

There are also multiple initiatives planned for 2023, across all the topics introduced in this section. The new data privacy program will be rolled out with a clear governance structure for data privacy management as well as a number of new data privacy procedures. During 2023, training on data protection will be incorporated into the regular compliance training provided to all employees. In addition, relevant employees will receive in-depth training on specific data privacy issues.

Training will also be implemented to boost awareness of the whistleblowing channel, and Aker Horizons will continue its work in this area throughout 2023.

Finally, Aker Horizons plans to implement additional procedures for areas relevant to the Company in 2023, including a new third-party representative procedure, which contains strict criteria governing the engagement of third-party representatives to act on behalf of Aker Horizons. Further initiatives will include a formalized Conflicts of Interest Procedure, as well as a Public Policy Engagement Procedure - for further information about the latter, see the next section.

Public policy engagement

A world dominated by climate crisis, geopolitical tensions, energy security concerns and market volatility calls for strong public policy responses. Aker Horizons' public policy engagement aims to help accelerate the formulation and implementation of effective responses, in line with our climate ambitions.

Aker Horizons' approach and performance

Public policy engagement is a topic of high strategic and financial importance to Aker Horizons, since the markets for many of the solutions that the Company and its portfolio are developing are dependent on some form of government support during an introductory phase in order to drive down costs and for the solutions to become commercially viable. This may take the form of subsidies, carbon prices, contracts of difference, regulations or other active industrial policies. Engaging in the development and formulation of public policy is thus a tool for managing climate-related transition risk, which is described more in detail in the section TCFD assessment.

Aker Horizons' public policy engagement is aligned with the company's strategic ambitions to maximize positive impact by driving the green transition, prioritize sustainable projects and make socially and environmentally-sound investment decisions that create long-term value for people and the planet. Public policy engagement activities by and on behalf of Aker Horizons are aligned with the objectives of the Paris Agreement and consistent with our climate-related goals.

In 2022, working with government relations became increasingly material for Aker Horizons due the step-up of policy responses to address the energy security situation following Russia's invasion of Ukraine. This came on top of the continued ramp-up of climate change targets, policies and measures in the lead-up to 2030. Aker Horizons' main markets are all affected by these megatrends. Providing energy security and fighting climate change through the energy transition are considered to be of public benefit. This, in turn, justifies active government policies and measures, which affect Aker Horizons both as a producer and a consumer of energy.

Aker Horizons considers it to be of high importance that we share our knowledge and understanding, and join in the public discussions on how best to develop policies and measures to face the joint challenges of climate change and energy security. Aker Horizons has a dedicated research and analysis team that continuously monitors climate-related policies, regulations and technology, as well as commercial and market developments that feed into the company's strategy, investment decisions and project development activities. This mandate involves identifying relevant issues and developing positions on emerging and existing policies.

Aker Horizons engages with governmental and non-governmental actors and industry groups, and is active in relevant arenas to share knowledge and showcase technological solutions that can enable the energy transition. We focus on providing advice and views in a transparent manner, recognizing the potential adverse impact of political lobbying. For this reason, our engagement complies with the principles of transparency and good business conduct, with the Code of Conduct and Sustainability Policy as a guiding document. Aker Horizons does not provide any kind of political contributions. In all respects, Aker Horizons' engagement is closely aligned with the Company's sustainable strategic ambitions and is driven by the ambition to achieve responsible value creation.

Aker Horizons' public policy engagement can be divided into five categories:

a. **External appearances.** This includes direct engagement and knowledge sharing, for instance by participating in conferences and seminars. As described in the section on Climate change, Aker Horizons was a main partner of the Bellona pavilion, together with the Norwegian Ministry of Foreign Affairs, at COP27 in Egypt and hosted sessions and panels with both national and international political actors. Other public events in which Aker Horizons took an active role include Arendalsuka, Norway's annual week-long festival dedicated to civic and political engagement and debate, and the Offshore Northern Seas (ONS) conference. Furthermore, Aker Horizons contributes to the public discourse through the publication of opinion pieces. For example, the CEO of Aker Horizons wrote an op-ed together with World Economic Forum President Børge Brende on turning the energy crisis into an opportunity to accelerate the decarbonization of industry.

b. **Direct dialogue with key stakeholders**. Aker Horizons has been involved in ongoing dialogue focused on providing knowledge of markets and our projects, as well as suggesting policy responses that take into account the interests of society, both nationally (parliament, government) and locally (e.g. Narvik municipality). In Rjukan, there has been close dialogue with Tinn municipality as well as with the municipality's wholly-owned industry accelerator. In Narvik, this dialogue has taken place at several levels, including with the mayor's office, the municipality director and the municipality director's industry group. There has also been close dialogue on zoning and permitting processes with the administrative planning and building authorities within the municipalities. Finally, Aker Horizons has met with foreign government representatives through official meetings facilitated by the Norwegian Ministry of Foreign Affairs.

c. **Industry associations.** Participation in industry organizations, such as the broadly focused Confederation of Norwegian Enterprises (NHO) and the Federation of Norwegian Industries (Norsk Industri), as well as more narrowly focused organizations within Aker Horizons' specific areas of investment, such as the Global Wind Energy Council. These organizations constitute platforms for coordinating policy input with other industry actors, through initiatives, groups and discussion forums on relevant topics. Moreover, they constitute channels for more broadly and indirectly engaging with policy makers. In 2022, this included presenting the Aukra hydrogen project at the NHO Møre og Romsdal annual conference.

d. **Public hearings.** In connection with public hearings on policy proposals, Aker Horizons provides detailed technical and regulatory input on policies that are relevant to the sectors and geographies we invest and operate in. In 2022, this entailed consultation input regarding offshore wind power auctions in Norway.

e. **NGO support.** The final category of political engagement can be described as supporting organizations that work politically to further the same objectives as Aker Horizons. In 2022, this involved collaborating with the Bellona Foundation on, among other things, the COP27 pavilion. The Bellona Foundation is an independent non-profit organization that aims to tackle the climate challenge by identifying and implementing sustainable environmental solutions. To this end, the organization engages in frequent dialogue with politicians and bureaucrats.

Performance commentary

In 2022, Aker Horizons has taken steps towards developing a more structured and strategic approach to public policy engagement, a development viewed as positive in light of the importance of public policy to realizing Aker Horizons' strategic ambitions and climate action at large.

Highlights from the work in 2022 include the prioritization of rapid and thorough analyses of proposed and implemented policies as they are announced, to address their possible impact on markets and projects. This serves both to increase Aker Horizons' own understanding as well as to provide advice to policy makers. An important example is the internal analysis of the US Inflation Reduction Act as soon as it was announced in August 2022. This positioned Aker Horizons to communicate at an early stage the Act's potential impact to Norwegian policy makers.

Aker Horizons has also significantly increased efforts to follow and analyze policy developments in Europe, both through internal analyses and through contact with European experts and policy makers. This work has been an important basis for the development of our position on how policy responses in Norway may be formulated to align with the EU's policy developments.

The work to communicate the analytical basis and key messages in connection with the public hearings relating to offshore wind power should also be highlighted.

Furthermore, Aker Horizons has engaged with local authorities on the development of our projects in Narvik and Rjukan, which both take an active facilitator role for local green industry development.

Going forward

As public policy engagement is becoming increasingly material for Aker Horizons, we will increase our efforts in this area in 2023. This will be done in a manner which is transparent and consistent, and with integrity. This includes transparently reporting on the nature and arenas of Aker Horizons' public policy engagement, and how it relates to the Company's position and strategic ambitions. To guide these efforts, Aker Horizons is aiming to implement a Public Policy Engagement Procedure in the first half of 2023.

In 2023 Aker Horizons will continue to prioritize analytical activities related to the development of public policies and regulations. This includes working with international organizations such as the IEA and WEF. Efforts will be stepped up to increase the communication of the results and implications of this work to policy makers and, when relevant, to the general public.

Stronger engagement with respect to public policy development in the EU will be important, as the EU is taking increasingly ambitious steps to address climate and energy security as well as industrial competitiveness. Discussions with Norwegian policy makers on what developments in the EU may signify for Norway will also be a priority. Other important areas for Norwegian public policy engagement will include comments to the report by the Energy Commission, a framework for developing hydrogen projects in Norway, and supporting the development of offshore wind power generation on the Norwegian continental shelf.

Aker Horizons and the Portfolio's Sustainability Summary

This section contains one-pagers summarizing the sustainability work performed by each of the Aker Horizons Group companies, and presenting the scorecard for selected sustainability KPIs.

For a detailed guide on how to read and understand these one-pagers, see the guide under the section Transparent Reporting.

AKER HORIZONS

Chair: Øyvind Eriksen
CEO: Kristian M. Røkke

Aker Horizons is dedicated to developing green energy and green industry to accelerate the transition to net zero emissions.

Corporate purpose: The Company's aim is to develop companies and projects that reduce greenhouse gas emissions and promote sustainable living, while providing substantial value creation over time through active ownership.

Sustainability governance: The Board of Directors and Audit Committee have the overall responsibility and oversight over sustainability work. The Company's Sustainability Director is responsible for overseeing sustainability performance on a day-to-day basis.

2022 highlights: Extended the work on sustainability to encompass the Asset Development business unit. Conducted the first round of reporting and also reported to CDP, receiving a score of A-. Internal procedures and policies were established on - and initiatives kicked off relating to – aspects such as human and labor rights, diversity and inclusion, and climate risk. Aker Horizons had an extensive presence at COP27, and made overall progress towards realizing planet-positive ambitions across its strategic business areas.

Board of Directors
- Sustainability policy
- Independence
- ESG competence

ESG implementation
- Targets
- Strategy
- Reporting

ESG management
- Materiality assessment
- ESG risk management
- Supply chain monitoring

External commitments

Selected SDGs

	Women	Men
Board	40	60
Executive management	50	50
Management ex. EMT	28	72
Company	32	68

Greenhouse gas emissions (tonnes CO_2e): Aker Horizons Group

	Location based	Market based
SCOPE 1	772	
SCOPE 2	5,576	5,690
SCOPE 3	21,462	21,476
TOTAL	27,810	27,938

P = Policy T = Target S = Strategy R = Reporting *Aker Horizons Holding and Asset Development only*

	SDGs	P	T	S	R	Indicator	2022
Planet							
Climate change		✔	✔	✔	✔	Scope 1 and 2 GHG emissions (location-based, tonnes CO2e)	5
Nature loss		✔			✔	# sites in/adjacent to protected or biodiversity-sensitive areas (# sites)	0
Water scarcity		✔			✔	Water withdrawn in water stressed areas (ML)	0
Waste and circularity		✔			✔	Non-recycled waste (tonnes)	3
People							
Dignity and equality		✔	✔	✔	✔	Pay equality (gap, expressed as percentage of men's salary)	31.3
Health & well-being		✔		✔	✔	Rate of work-related recordable injuries (employees)	0
Skills for the future		✔		✔	✔	Average hours of training per employee	72
Human rights		✔	✔	✔	✔	% of staff completing human rights training	61
Prosperity							
Employment and wealth generation		✔		✔	✔	Total wages and benefits paid (NOK million)	236
Innovation in better products, services		✔		✔	✔	Total R&D expenditure (NOK million)	226
Community and social vitality		✔		✔	✔	Total tax paid (NOK million)	160
Governance							
Ethics and integrity		✔	✔	✔	✔	% of staff completed training on ethics, integrity and anti-corruption	88
Legal compliance		✔	✔	✔	✔	# legal proceedings relating to non-compliance with laws and regulations	0

AKER CARBON CAPTURE

Chair: Kristian M. Røkke
CEO: Valborg Lundegaard

Aker Carbon Capture is a pure-play carbon capture company. The company has a proprietary and field-proven solution to enable carbon emission reduction and removal from hard-to-abate industries and energy solutions.

Corporate purpose: The Company's aim is to mitigate climate change by enabling carbon reduction and removal from industries and energy solutions.

Sustainability governance: The Board of Directors is the highest authority that oversees the sustainability work in Aker Carbon Capture. The sustainability policy, material aspects, sustainability targets and key priorities, as defined in the corporate strategy, are approved by the Board of Directors. Status on progress and developments are reported to the Board's Audit Committee on a quarterly basis. Climate risks and other sustainability related risks are discussed with the board as part of the company's Enterprise Risk Process.

2022 highlights: Aker Carbon Capture took several important steps to further develop the company. Particularly, efforts have been made to increase the competences regarding a broad set of sustainability aspects. Examples include human rights training, strengthening lifecycle assessment skills and establishing a leadership program for the new leaders in the organization.

Board of Directors
- Sustainability policy
- Formalized responsibility
- ESG competence

ESG implementation
- Targets
- Strategy
- Reporting

ESG management
- Materiality assessment
- ESG risk management
- Supply chain monitoring

External commitments

Selected SDGs

Board: 57 | 43

Executive management: 43 | 57

Management ex. EMT: 29 | 71

Company: 30 | 70

Greenhouse gas emissions (tonnes CO_2e)

SCOPE 1	SCOPE 2		SCOPE 3		TOTAL	
1	82	15	18,219	18,223	18,302	18,238
Location based	Location based	Market based	Location based	Market based	Location based	Market based

P = Policy T = Target S = Strategy R = Reporting

	SDGs	P	T	S	R	Indicator	2022
Planet							
Climate change		✔	✔	✔	✔	Scope 1 and 2 GHG emissions (location-based, tonnes CO2e)	82
Nature loss		✔			✔	# sites in/adjacent to protected or biodiversity-sensitive areas (# sites)	0
Water scarcity		✔			✔	Water withdrawn in water stressed areas (ML)	0
Waste and circularity		✔			✔	Non-recycled waste (tonnes)	7
People							
Dignity and equality		✔	✔	✔	✔	Pay equality (gap, expressed as percentage of men's salary)	7.4
Health & well-being		✔	✔	✔	✔	Rate of work-related recordable injuries (employees)	0
Skills for the future		✔	✔	✔	✔	Average hours of training per employee	34
Human rights		✔	✔	✔	✔	% of staff completing human rights training[13]	62
Prosperity							
Employment and wealth generation		✔	✔	✔	✔	Total wages and benefits paid (NOK million)	152
Innovation in better products, services		✔	✔	✔	✔	Total R&D expenditure (NOK million)	56
Community and social vitality		✔			✔	Total tax paid (NOK million)	47
Governance							
Ethics and integrity		✔	✔	✔	✔	% of staff completed training on ethics, integrity and anti-corruption	100
Legal compliance		✔	✔	✔	✔	# legal proceedings relating to non-compliance with laws and regulations	0

[13] *Risk-based approach to selecting target groups for broader training. Includes both employees and contract staff. 100% of target group completed training.*

MAINSTREAM RENEWABLE POWER

Chair: Kristian M. Røkke
CEO: Mary Quaney

Mainstream Renewable Power is a pure-play renewable energy company with a mission to lead the global transition to renewable energy. The company is dedicated to creating positive long-term value for stakeholders, planet and society through socially and environmentally sustainable project development.

Corporate purpose: Mainstream's purpose is to build, own and operate renewable energy around the globe and in doing so, to electrify the world with renewable energy.

Sustainability governance: Mainstream's board has a sustainability sub-committee comprising directors and senior executives from Mainstream, Aker Horizons and Mitsui. This committee meets quarterly to review sustainability performance.

2022 highlights: In Chile, Mainstream reached 1.1 GW connected to the grid with eight out of ten projects energized and producing energy to replace the equivalent of 2.7 million tons CO2. In South Africa, Mainstream signed 450 MW power purchase agreements for six solar plants. ScotWind secured a 1.8 GW floating offshore wind farm site with their 50-50 JV with Ocean Winds.

Board of Directors
- Sustainability policy
- Formalized responsibility
- ESG competence

ESG implementation
- Targets
- Strategy
- Reporting

ESG management
- Materiality assessment
- ESG risk management
- Supply chain monitoring

External commitments

CDP DISCLOSURE INSIGHT ACTION

Selected SDGs

4, 5, 7, 16, 13, 8

	Women	Men
Board	17	83
Executive management	40	60
Management ex. EMT	32	68
Company	37	63

Greenhouse gas emissions (tonnes CO_2e)

SCOPE 1	SCOPE 2		SCOPE 3		TOTAL	
771	5,490	5,555	2,851	2,851	9,112	9,177
Location based	Location based	Market based	Location based	Market based	Location based	Market based

P = Policy T = Target S = Strategy R = Reporting

	SDGs	P	T	S	R	Indicator	2022
Planet							
Climate change	13, 7	✔	✔	✔	✔	Scope 1 and 2 GHG emissions (location-based, tonnes CO2e)	6261
Nature loss	15, 14	✔	✔	✔	✔	# sites in/adjacent to protected or biodiversity-sensitive areas (# sites)	N.A.
Water scarcity	6	✔	✔	✔	✔	Water withdrawn in water stressed areas (ML)[14]	N.A.
Waste and circularity	12	✔	✔	✔	✔	Non-recycled waste (tonnes)	826
People							
Dignity and equality	10, 5	✔	✔	✔	✔	Pay equality (gap, expressed as percentage of men's salary)	N.A.
Health & well-being	3				✔	Rate of work-related recordable injuries (employees)[15]	2.54
Skills for the future	4		✔			Average hours of training per employee	56
Human rights	8	✔		✔	✔	% of staff completing human rights training	90
Prosperity							
Employment and wealth generation	1, 8	✔	✔	✔	✔	Total wages and benefits paid (NOK million)	655
Innovation in better products, services	9	✔	✔	✔	✔	Total R&D expenditure (NOK million)	272
Community and social vitality	11	✔	✔	✔	✔	Total tax paid (NOK million)[16]	99
Governance							
Ethics and integrity	16	✔	✔	✔	✔	% of staff completed training on ethics, integrity and anti-corruption	100
Legal compliance	16	✔	✔	✔	✔	# legal proceedings relating to non-compliance with laws and regulations	0

[14] This information has been collected for all individual sites, but not yet consolidated to a single figure.
[15] Mainstream Renewable Power also includes First Aid Cases in TRIF figures, but they have not been included in the table for comparability. When included, this figure is 5.09.
[16] Mainstream Renewable Power is committed to working with its communities throughout the lifetime of the asset. For details on community investment, see the section on Local communities.

Principal Adverse Impact Indicators

The Sustainable Finance Disclosure Regulation and its Principal Adverse Impact (PAI) indicators aim to provide information about potential adverse impacts associated with Aker Horizons' business and investments. The table below indicates the proportion of the total portfolio for which data is available. For further details on the calculation methods, see the section on sustainability accounting principles and methodology under the section Transparent Reporting.

	Aker Horizons Holding	Portfolio	Data coverage
GHG emissions: Scope 1 (tonnes CO2e)	0	451	100%
GHG emissions: Scope 2 (tonnes CO2e)	3	3,248	100%
GHG emissions: Scope 3 (tonnes CO2e)	201	9,734	100%
GHG emissions: Total (tonnes CO2e)	204	13,432	100%
Carbon footprint (tonnes CO2e)	N.A.	14	100%
GHG intensity of investee companies (tonnes CO2e)	N.A.	119	100%
Share of investments in companies active in the fossil fuel sector (percent)	0%	0%	100%
Share of non-renewable energy consumption and production (percent)	1%	0%	100%
Energy consumption intensity per high impact climate sector (GWh per million EUR invested)	N.A	0	100%

	Aker Horizons Holding	Portfolio	Data coverage
Activities negatively affecting biodiversity-sensitive areas (percent)	0	0	30%
Emissions to water (tonnes per million EUR invested)	0	0	30%
Hazardous waste (tonnes per million EUR invested)	0	31	100%
Violations of UNGC principles and OECD Guidelines for Multinational Enterprises (share of investments)[17]	0	0	30%
Lack of processes and compliance mechanisms to monitor compliance with UNGC principles and OECD Guidelines for Multi-national Enterprises (share of investments)	0%	0%	100%
Unadjusted gender pay gap (expressed as a percentage of men's salary)	31%	16%	30%
Board gender diversity (ratio)	40%	74%	87%
Exposure to controversial weapons (share of investments, percent)	0%	0%	100%

[17] For parts of Aker Horizons' portfolio, an assessment of performance against minimum social safeguards is currently under development, and has therefore been excluded from this overview.

Taxonomy Status

The figures presented account for 100 percent of Aker Horizons’ portfolio, including Supernode. 100 percent of activities are eligible and 0 percent are non-eligible.

Taxonomy accounting guidelines

The key performance indicators (KPIs) presented in this report include Turnover, CapEx and OpEx for the reporting period 2022. The KPIs have been calculated according to Annex 1 of the Art 8 Delegated Act, and include Aker Horizons’ consolidated share of taxonomy-eligible turnover, CapEx and OpEx in relation to total turnover, CapEx and OpEx, as presented in the consolidated financial statements.

Approach to classifying activities

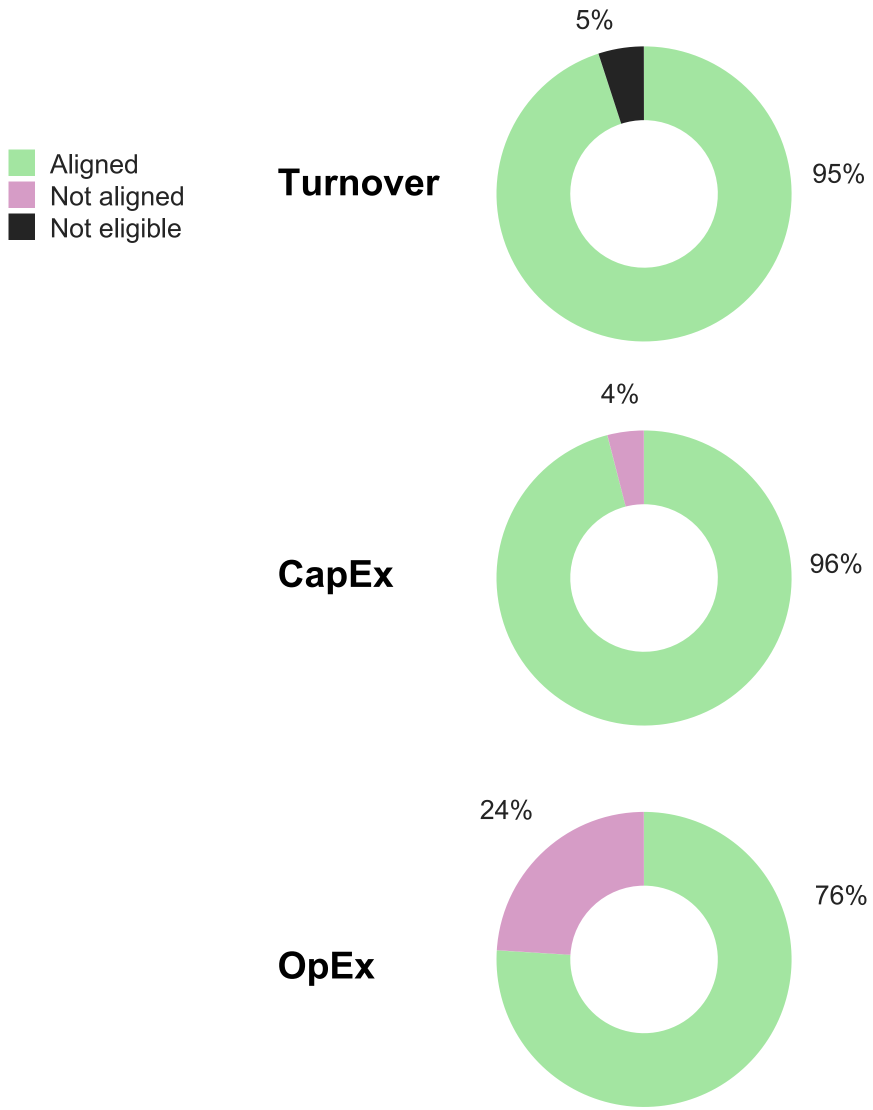
Eligibility. A taxonomy-eligible activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation, regardless of whether that activity meets the technical screening criteria laid down in the respective acts. Similar, non-eligible activities are defined as activities not described in the delegated acts.

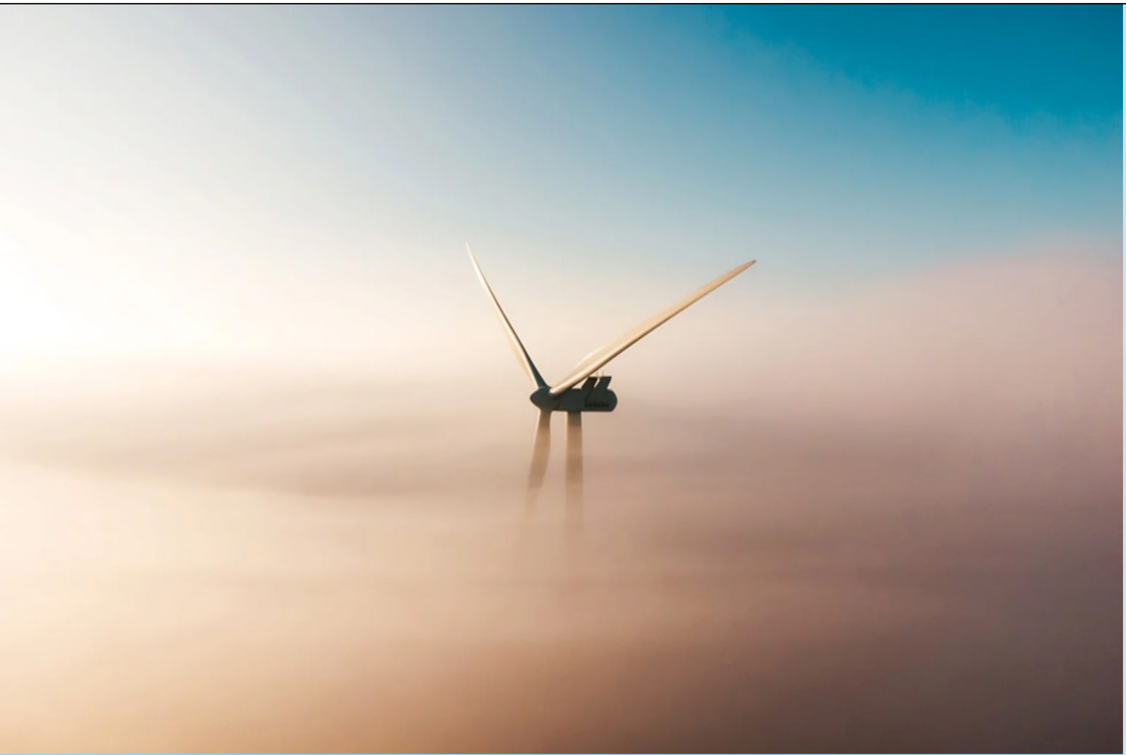
Alignment. A taxonomy-aligned activity means an eligible economic activity that also complies with all of the technical screening criteria:

a. Substantial contribution: The economic activity contributes substantially to one or more of the environmental objectives
b. Do no significant harm: No significantly harm on any of the environmental objectives
c. Minimum safeguards: Compliance with the minimum safeguards
d. The activity complies with technical screening criteria in the delegated acts supplementing the Taxonomy Regulation

Aker Horizons and its portfolio companies have begun assessing activities on the basis of the current draft of the Taxonomy Regulation. In 2021, Aker Horizons chose to report on activities that are currently aligned, and activities that are “expected aligned.” For 2022, expected aligned projects that are supported by a CapEx plan identifying all planned measures that are necessary to ensure compliance with the technical screening criteria within a period of five years, have also been reported as aligned.

Early stage projects that are too premature to claim alignment within the next five years or present a concrete roadmap to alignment, have been reported as not aligned. This does not mean that the projects themselves will not be aligned once developed, but simply that such an assessment will be carried out once they are more mature and it is possible to come to a conclusion. For further details, refer to the sustainability accounting principles and methodology in the section Transparent Reporting.





Financials and Notes

Aker Horizons Consolidated Accounts

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> Other Comprehensive Income
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> Cash Flow Statement
> Statement of Changes in Equity
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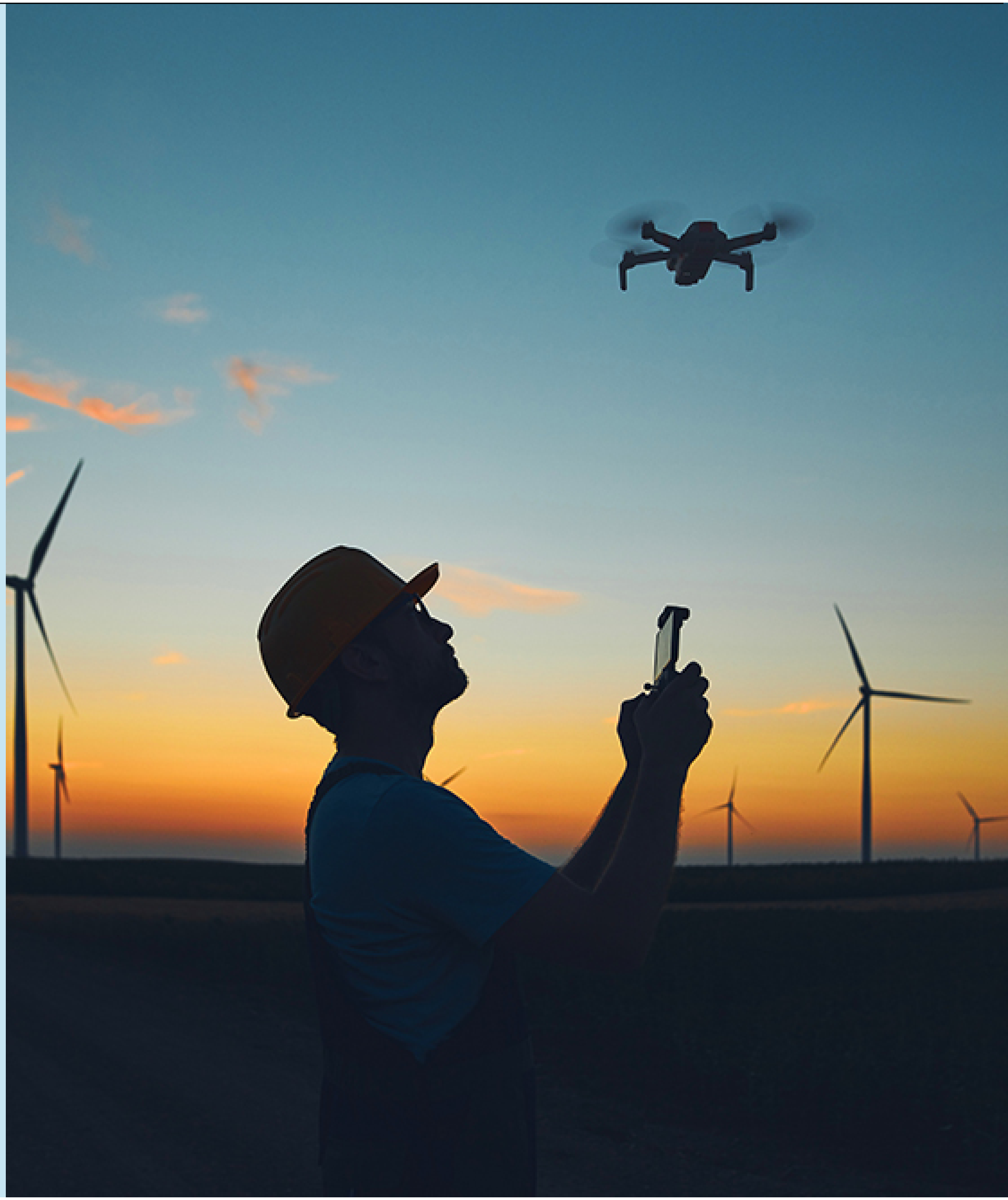

Income Statement
Consolidated statement for the year ended 31 December

Amounts in NOK million	Note	2022	2021 Restated[1]
Revenues	3, 4	2,371	981
Other income	4	1,918	174
Revenues and other income		**4,289**	**1,155**
Materials, goods and services		(2,898)	(949)
Salaries, wages and social security costs	5	(1,000)	(706)
Other operating expenses	6	(1,186)	(747)
Operating expenses		**(5,084)**	**(2,402)**
Operating profit (loss) before depreciation, amortization and impairment		**(795)**	**(1,247)**
Depreciations and amortizations	10, 11, 21	(494)	(83)
Impairments	11, 12	(4,405)	—
Operating profit (loss)		**(5,694)**	**(1,331)**
Financial income		197	15
Financial expenses		(1,001)	(761)
Net financial expenses	**7**	**(804)**	**(745)**
Profit (loss) from equity-accounted investees	13	(152)	(215)
Profit (loss) before tax		**(6,650)**	**(2,291)**
Income tax benefit (expense)	8	1,402	(35)
Profit (loss) continuing operations		**(5,248)**	**(2,325)**
Profit (loss) discontinued operations	30	30	(103)
Profit (loss) in the period		**(5,218)**	**(2,428)**
Profit (loss) for the period attributable to:			
Non-controlling interests (NCI)	32	(2,585)	(477)
Equity holders of the parent company		(2,633)	(1,951)
Profit (loss) for the period		**(5,218)**	**(2,428)**
Basic and diluted earnings (loss) per share (NOK) continuing operations attributable to ordinary equity holders of the company	9	(4.08)	(3.35)
Basic and diluted earnings (loss) per share (NOK) attributable to ordinary equity holders of the company	9	(4.03)	(3.54)

1) Restated for discontinued operations, see note 30 Discontinued operations

Other Comprehensive Income (OCI)
Consolidated statement for the year ended 31 December

Amounts in NOK million	Note	2022	2021
Profit (loss) for the period		**(5,218)**	**(2,428)**
Other comprehensive income			
Cash flow hedges, effective portion of changes in fair values	28	1,772	(97)
Cash flow hedges, reclassification to income statement		59	—
Tax of cash flow hedges		(517)	—
Currency translation differences - foreign operations		1,830	284
Equity-accounted investees - share of OCI		180	(33)
Total items that may be reclassified subsequently to profit or loss, net of tax		**3,325**	**154**
Total comprehensive income (loss) for the period, net of tax		**(1,893)**	**(2,274)**
Total comprehensive income (loss) for the period, attributable to:			
Equity holders of the parent		(603)	(1,846)
Non-controlling interests		(1,290)	(427)
Total comprehensive income (loss) for the period, net of tax		**(1,893)**	**(2,274)**

Balance Sheet

Consolidated statement for the year

Amounts in NOK million	Note	31 Dec 2022	31 Dec 2021
Assets			
Non-current assets			
Goodwill	11	1,417	2,587
Intangible assets	11	2,040	4,182
Right-of-use assets	21	734	700
Property, plant and equipment	10	15,912	12,324
Deferred tax assets	8	132	1
Equity-accounted investees	13	1,163	1,072
Non-current interest-bearing receivables	34	447	26
Derivative financial instruments	28	1,938	243
Total non-current assets		**23,783**	**21,136**
Current assets			
Inventories	14	952	716
Trade and other receivables	15	1,577	1,319
Other investments	16	—	702
Restricted cash	17	2,076	2,071
Cash and cash equivalents	17	8,683	5,412
Assets held for sale	18	268	1,202
Total current assets		**13,555**	**11,422**
Total assets		**37,339**	**32,557**

Amounts in NOK million	Note	31 Dec 2022	31 Dec 2021
Equity and liabilities			
Equity			
Paid-in capital		15,670	14,365
Reserves		2,137	86
Retained earnings and other equity		(10,711)	(8,726)
Total equity attributable to the parent	19	7,096	5,725
Hybrid capital		—	16
Non-controlling interests	32	6,519	4,245
Total equity		**13,615**	**9,985**
Non-current liabilities			
Non-current borrowings	20	19,102	17,118
Non-current lease liabilities	21	626	605
Other non-current liabilities	5	84	8
Provisions	22	317	93
Derivative financial instruments	28	—	153
Deferred tax liabilities	8	554	1,112
Total non-current liabilities		**20,683**	**19,089**
Current liabilities			
Current borrowings	20	871	446
Current lease liabilities	21	61	63
Trade and other payables	23	2,110	2,974
Total current liabilities		**3,041**	**3,483**
Total liabilities		**23,724**	**22,572**
Total equity and liabilities		**37,339**	**32,557**

Fornebu, 17 March 2023
Board of Directors and CEO of Aker Horizons ASA

Øyvind Eriksen
Øyvind Eriksen
Chair (non-independent)

Kjell Inge Røkke
Director (non-independent)

Lone Fønss Schrøder
Director (independent)

Lise Kingo
Director (independent)

Auke Lont
Director (independent)

Kristian Røkke
Kristian Røkke
CEO

Cash Flow Statement

Consolidated statement for the year ended 31 December

Amounts in NOK million	Note	2022	2021
Cash flow from operating activities			
Profit (loss) for the period continuing operations		(5,248)	(2,325)
Profit (loss) for the period discontinued operations		30	(103)
Adjustments for:			
Income tax expense (benefit)	8	(1,402)	36
Net interest cost and unrealized currency loss (income)		802	748
Depreciation, amortization and impairment	10, 11, 21	4,907	100
Share of (profit) loss from equity-accounted investees	13	152	215
Other non cash effects and gains in investments		(1,918)	(168)
Profit (loss) for the period, adjusted		**(2,678)**	**(1,497)**
Changes in operating assets		(725)	(142)
Cash generated from operating activities		**(3,403)**	**(1,640)**
Interest paid		(381)	(214)
Interest received		123	30
Income tax paid		4	(1)
Net cash from operating activities		**(3,658)**	**(1,826)**

Amounts in NOK million	Note	2022	2021
Cash flow from investing activities			
Acquisition of property, plant and equipment	10	(3,006)	(3,335)
Payments for capitalized development	11	(65)	(13)
Payments for shares in subsidiaries, net of cash acquired		(61)	(4,852)
Sale of shares in subsidiaries	30	(13)	—
Payments for equity-accounted investees	13	(211)	(239)
Proceeds equity-accounted investees	13	2,951	—
Proceeds sale of property, plant and equipment		—	6
Payments for other investments	16	700	(700)
Proceeds related to interest-bearing receivables	34	28	22
Payments related to interest-bearing receivables	34	(277)	—
Change in restricted cash	17	102	(145)
Net cash from investing activities		**148**	**(9,257)**
Cash flow from financing activities			
Proceeds from borrowings	20	1,360	7,300
Transaction costs related to loans and borrowings		—	(177)
Repayment of borrowings	20	(604)	(1,022)
Proceeds from issue of share capital		—	5,573
Transaction costs related to issue of share capital		(27)	(159)
Payment of lease liabilities	21	(49)	(58)
Repurchase of treasury shares		—	4
Proceeds from sale of treasury shares		—	(6)
Proceeds from capital increase from non-controlling interest	29	5,569	3,300
Proceeds sale of non-controlling interest		—	1,010
Net cash from financing activities		**6,249**	**15,766**
Effect of exchange rate changes on cash and bank deposits		532	(214)
Net increase (decrease) in cash and bank deposits		**3,271**	**4,469**
Cash and cash equivalents at the beginning of the period		5,412	943
Cash and cash equivalents at the end of the period		**8,683**	**5,412**

Changes in Equity

Amounts in NOK million	Note	Share capital	Other paid-in capital	Retained earnings	Other equity	Cash flow hedge reserve[1]	Share option reserve	Currency translation reserve	Equity attributable to parent company	Hybrid capital	Non-controlling interests	Total equity
Equity as of 31 December 2020		**—**	**—**	**(131)**	**(154)**	**—**	**—**	**(23)**	**(308)**	**—**	**628**	**320**
Profit (loss) for the period				(1,951)	—	—	—	—	**(1,951)**	—	(477)	**(2,428)**
Other comprehensive income				—	—	(73)	—	177	**104**	—	50	**154**
Total comprehensive income		**—**	**—**	**(1,951)**	**—**	**(73)**	**—**	**178**	**(1,846)**	**—**	**(427)**	**(2,274)**
Transaction with owners of the company												
Share issues	19	610	13,924	—	(8,963)	—	—	—	**5,571**	—	—	**5,571**
Transaction costs, share issues		—	(169)	—	—	—	—	—	**(169)**	—	—	**(169)**
Continuity difference		—	—	—	(803)	—	—	—	**(803)**	—	—	**(803)**
Equity portion convertible bond		—	—	—	349	—	—	—	**349**	—	—	**349**
Share options		—	—	—	—	—	4	—	**4**	1	—	**5**
Treasury shares		—	—	—	(1)	—	—	—	**(1)**	—	(1)	**(2)**
Total contributions and distributions		**610**	**13,755**	**—**	**(9,419)**	**—**	**4**	**—**	**4,950**	**1**	(1)	**4,950**
Changes in ownership interests												
Issuance of shares in subsidiaries				—	—	—	—	—	**—**	—	3,404	**3,404**
Transaction costs, issuance of shares in subsidiaries				—	—	—	—	—	**—**	—	(92)	**(92)**
Acquisition of subsidiary with NCI				—	—	—	—	—	**—**	16	2,580	**2,596**
Sale to non-controlling interests				—	2,929	—	—	—	**2,929**	—	(1,848)	**1,081**
Total change in ownership interests		**—**	**—**	**—**	**2,928**	**—**	**—**	**—**	**2,928**	**16**	**4,044**	**6,988**
Equity as of 31 December 2021		**610**	**13,755**	**(2,082)**	**(6,644)**	**(73)**	**4**	**155**	**5,724**	**17**	**4,244**	**9,985**

1) Amount does not include portion allocated to non-controlling interests.

Amounts in NOK million	Note	Share capital	Other paid-in capital	Retained earnings	Other equity	Cash flow hedge reserve[2]	Share option reserve	Currency translation reserve	Equity attributable to parent company	Hybrid capital	Non-controlling interests	Total equity
Opening balance 1 January 2022		**610**	**13,755**	**(2,082)**	**(6,644)**	**(73)**	**4**	**155**	**5,724**	**17**	**4,244**	**9,985**
Profit (loss) for the period				(2,633)	—	—	—	—	**(2,633)**	—	(2,585)	**(5,218)**
Other comprehensive income				—	—	832	—	1,198	**2,030**	—	1,295	**3,325**
Total comprehensive income		**—**	**—**	**(2,633)**	**—**	**832**	**—**	**1,198**	**(603)**	**—**	**(1,290)**	**(1,893)**
Transaction with owners of the company												
Share issues	19	81	1,242	(547)	—	—	—	—	**776**	—	(775)	**1**
Transaction costs, share issues		—	(17)	—	—	—	—	—	**(16)**	—	—	**(16)**
Share options		—	—	—	—	—	20		**20**	—	14	**34**
Total contributions and distributions		**81**	**1,225**	**(547)**	**—**	**—**	**21**	**1**	**780**	**—**	**(761)**	**18**
Changes in ownership interests												
Issuance of shares in subsidiaries[1]	29			—	1,295	—	—	—	**1,295**	—	4,328	**5,623**
Acquistion of a minority without change in control	30			—	(100)	—	—	—	**(100)**	(17)	—	**(117)**
Total change in ownership interests		**—**	**—**	**—**	**1,195**	**—**	**—**	**—**	**1,195**	**(17)**	**4,328**	**5,505**
Equity as of 31 December 2022		**690**	**14,980**	**(5,262)**	**(5,449)**	**759**	**25**	**1,353**	**7,096**	**—**	**6,519**	**13,615**

1) Amount does not include portion allocated to non-controlling interests.
2) NOK 50 million of share issues in subsidiaries with minorities was implemented as a conversion of debt, and remaining as cash contribution.

Notes to the Financial Statements

1 General information

Aker Horizons is a limited liability public company incorporated and domiciled in Norway, whose shares are traded on the Oslo Stock Exchange. Aker Horizons was incorporated on 1 November 2020 and became the parent of the consolidated group through an internal reorganization in the Aker ASA group in January 2021. The registered office is located at Oksenøyveien 8, Bærum, Norway.

Aker Horizons is indirectly majority-owned by Aker ASA, a Norwegian industrial holding company listed on the Oslo Stock Exchange, through its subsidiary Aker Capital AS. The ultimate parent company is The Resource Group TRG AS.

Aker Horizons is an investment company dedicated to developing companies that solve fundamental challenges to sustainable existence - or planet-positive investing. Its portfolio includes a carbon capture specialist delivering proprietary CCS technology and plant, an independent renewable energy player with a global portfolio of assets across solar, onshore and offshore wind power. Aker Horizons also develops green industrial hubs that combine low-cost renewable energy with hydrogen production and downstream applications.

At the beginning of the year, the portfolio comprised equity stakes in Aker Carbon Capture, Aker Clean Hydrogen, Aker Offshore Wind and Mainstream Renewable Power, as well as investments in Rainpower, REC Silicon, SuperNode and strategic sites for green industrial development in Narvik.

Aker Horizons' portfolio underwent a series of transformative transactions in 2022, see note 29 Changes in group structure for more information:

- Aker Horizons merged with Aker Clean Hydrogen, establishing an in-house hybrid asset origination and development muscle, in the form of Aker Horizons Asset Development.
- Investments in Narvik region
- Aker Offshore Wind and Mainstream Renewable Power combined, and Mitsui invested EUR 575 million in Mainstream
- Shares in REC Silicon sold to Hanwha and shares in Rainpower to Aker Solutions.

At the close of 2022, Aker Horizons portfolio was composed of Aker Carbon Capture, Mainstream Renewable Power and SuperNode and the business unit Aker Horizons Asset Development.

The consolidated statements include all entities controlled by Aker Horizons ASA, see information on the Group's principal subsidiaries in Note 31 Subsidiaries. The consolidated financial statements of Aker Horizons ASA and its subsidiaries are collectively referred as Aker Horizons or the Group, and separately as group companies. Investments where the Group has significant influence or joint control are accounted for according to equity method, see Note 13 Investments in associates and joint ventures.

These consolidated financial statements were issued by the board and CEO of Aker Horizons on 17 March 2023, to be approved by the Annual General Meeting on 21 April 2023.

2 Basis of preparation

The basis for preparation and most important accounting policies used in the preparation of the consolidated financial statements are described below or in the respective notes. The basis and policies are applied consistently in all of the periods presented, unless the description states otherwise.

Statement of compliance

Aker Horizons' consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and disclosure requirements pursuant to the Norwegian Accounting Act as of 31 December 2022.

Basis of measurement

The Group's financial statements have been prepared on the basis of historical cost with the exception of derivative financial instruments which are measured at fair value on each reporting date.

The consolidated financial statements are presented in Norwegian Kroner (NOK). Amounts are rounded to the nearest million, unless otherwise stated. As a result of rounding adjustments, amounts and percentages may not add up to the total.

Foreign currency translation and presentation currency

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Non-monetary items that are measured on the basis of historical cost in a foreign currency are translated at the exchange rate on the date of the transaction.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of the Group at the exchange rates on the reporting date. The income and expenses of foreign operations are translated into the presentation currency of the Group at the exchange rates on the dates of transactions.

Foreign currency translation differences are recognized in OCI and accumulated in the currency translation reserve in equity, except to the extent that the translation difference is allocated to NCI.

Going concern

The consolidated financial statements have been prepared on the assumption that the Group is a going concern.

Changes to accounting policies and disclosures

Revisions to standards and interpretations that did not come into force for the Group for the year that ended 31 December 2022 are evaluated not to have any significant effect for the Group.

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 recognized in the period in which the estimates are revised and in future periods if affected. The Group's operational companies operate in different markets and are thus affected differently by the uncertainties that characterize the different markets. 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 notes:

- Note 8 Tax
- Note 11 Intangible assets and goodwill
- Note 12 Impairment

3 Operating segments

Operating segments

Operating segments are identified on the basis of the Group's internal management and reporting structure. The Group's chief operating decision maker, who is responsible for the allocation of resources and assessment of performance in the different operating segments, is defined as the CEO.

Recognition and measurement applied to segment reporting is consistent with the accounting principles applied when preparing the financial statements, except for Aker Horizons and holdings, see more information below. Transactions between segments are conducted in accordance with the Group's transfer pricing policy. Operational revenues and segment assets are based on the geographical location of companies.

Aker Horizons' portfolio underwent a series of transformative transactions in 2022, see note 29 Changes in group structure for more information. Reportable segments have been restated.

Overview of reportable segments

Aker Carbon Capture (ACC)

Aker Carbon Capture is a global provider of products, technology and solutions within the field of carbon capture, utilization and storage (CCUS). It is one of the few companies globally that are involved in the entire CCUS value chain.

Asset Development (AAD)

Aker Horizons Asset Development originates and develops a portfolio of hydrogen-derivative projects spanning from Norway to Chile, and includes the investments in the Narvik region.

Mainstream Renewable Power (Mainstream)

The renewable energy generation segment consists of Aker Horizons' global portfolio of offshore- and onshore wind, and solar power generation projects. Mainstream reflects the combined Mainstream Renewable Power and Aker Offshore Wind.

Aker Horizons and holdings

The combined financial statements of Aker Horizons ASA and holding companies are prepared in order to present Aker Horizons' 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 Horizons ASA and have balance sheets containing only investments, bank deposits and debt. Investments are reported at the lower of market value and cost price.

Other

"Other" consists of Aker Horizons' 50 percent investments in SuperNode, a company that designs superconducting systems to integrate renewable energy and properly connect markets.

Amounts in NOK million	Note	Aker Carbon Capture	Asset Development	Mainstream	Aker Horizons and holdings	Total reportable segments	Other and eliminations	Total
2022								
Income statement								
External segment revenue & other income	4	773	9	1,856	8	**2,647**	1,642	**4,289**
Inter-segment revenue		8	—	4	164	**176**	(176)	**—**
Total segment revenue		**781**	**9**	**1,860**	**172**	**2,823**	**1,466**	**4,289**
Operating profit (loss) before depreciation, amortization and impairment (EBITDA)		**(212)**	**(335)**	**(1,759)**	**(136)**	**(2,441)**	**1,646**	**(795)**
Depreciations, amortizations and impairment	9, 10, 20	(11)	(4)	(4,879)	—	**(4,894)**	(6)	**(4,900)**
Operating profit (loss) (EBIT)		**(223)**	**(338)**	**(6,638)**	**(136)**	**(7,335)**	**1,641**	(5,694)
Share of profit (loss) equity accounted investees	13	—	(19)	(94)	—	**(113)**	(39)	**(152)**
Interest income		18	—	—	77	**97**	(2)	**94**
Interest expense		(1)	(2)	(2)	(423)	**(428)**	2	**(425)**
Other financial items		2	(4)	(476)	(2,878)	**(3,356)**	2,883	**(473)**
Profit (loss) before tax		**(203)**	**(362)**	**(7,210)**	**(3,360)**	**(11,135)**	**4,484**	**(6,650)**
Tax expense	8	—	—	1,402	—	**1,402**	—	**1,402**
Profit (loss) for the year to equity holders of the parent		**(203)**	**(362)**	**(5,808)**	**(3,360)**	**(9,732)**	**4,484**	**(5,248)**

Amounts in NOK million	Note	Aker Carbon Capture	Asset Development	Mainstream	Aker Horizons and holdings	Total reportable segments	Other & eliminations	Total
2022								
Balance sheet								
Equity-accounted investments	13	—	74	999	118	**1,191**	(28)	**1,163**
Other non-current assets		128	487	21,964	14,818	**37,397**	(14,777)	**22,620**
Current operating assets		76	49	2,396	37	**2,557**	(28)	**2,529**
Cash and marketable securities	17	1,093	167	5,383	4,116	**10,759**	—	**10,759**
Assets held for sale	18	—	—	268	—	**268**	—	**268**
Segment assets		**1,297**	**776**	**31,010**	**19,089**	**52,171**	**(14,833)**	**37,339**
Borrowings	20	—	66	13,857	6,050	**19,973**	—	**19,973**
Non-current operating liabilities		3	77	1,501	—	**1,581**	—	**1,581**
Current operating liabilities		415	171	1,513	82	**2,181**	(11)	**2,170**
Segment liabilities		**418**	**314**	**16,871**	**6,133**	**23,735**	**(11)**	**23,724**
Equity		879	462	14,139	12,956	**28,436**	(14,822)	**13,615**
Non-controlling interest & hybrid capital		—	—	—	—	**—**	6,519	**6,519**
Total equity attributable to equity holders of the parent		**879**	**462**	**14,139**	**12,956**	**28,436**	**(21,341)**	**7,096**
Net current operating assets (liabilities)		(333)	(120)	917	(45)	**419**	—	**419**
Net cash (debt)		1,093	101	(8,473)	(1,934)	**(9,214)**	—	**(9,214)**
- of which restricted cash		5	3	2,076	5	**2,089**	—	**2,089**
Aker Horizons ASA and holding companies key figures:								
Gross assets value (GAV)[1]		3,022	1,722	12,169	—	**16,913**	4,298	**21,211**

1) Gross asset value is the sum of all assets 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 book value of other assets.

Amounts in NOK million	Note	Aker Carbon Capture	Asset Development	Mainstream [1,2]	Aker Horizons and holdings	Total reportable segments	Other & eliminations[1]	Total
2021 (restated)								
Income statement								
External segment revenue	4	363	14	775	2	**1,155**	**—**	**1,155**
Inter-segment revenue		—	—		132	**132**	**(132)**	**—**
Total segment revenue		**363**	**14**	**775**	**133**	**1,286**	**(132)**	**1,155**
Operating profit (loss) before depreciation, amortization and impairment (EBITDA)		**(190)**	**(159)**	**(586)**	**(192)**	**(1,127)**	**(120)**	**(1,247)**
Depreciations and amortizations	9, 10, 20	(5)	(3)	(72)	—	**(80)**	**(3)**	**(83)**
Operating profit (loss) (EBIT)		**(195)**	**(162)**	**(658)**	**(193)**	**(1,208)**	**(123)**	**(1,331)**
Share of profit (loss) equity accounted investees	13	—	(9)	(132)	—	**(142)**	**(73)**	**(215)**
Interest income		3	—	8	14	**25**	**—**	**25**
Interest expense		—	—	(93)	(380)	**(473)**	**—**	**(473)**
Other financial items		—	(1)	(119)	686	**566**	**(863)**	**(297)**
Profit (loss) before tax		**(192)**	**(172)**	**(995)**	**128**	**(1,231)**	**(1,059)**	**(2,291)**
Tax expense	8	—	—	(35)	—	**(35)**	**—**	**(35)**
Profit (loss) for the year to equity holders of the parent		**(192)**	**(172)**	**(1,029)**	**128**	**(1,266)**	**(1,059)**	**(2,325)**

1) Mainstream includes NOK 92 million (stamp-duty) and "Other and eliminations" includes NOK 110 million in transaction costs related to the acquisition of Mainstream and NOK 8 million in transaction costs related to the acquisition of Rainpower.
2) Reflects income statement from date of acquisition, see Note 29 Changes in group structure.

Amounts in NOK million	Note	Aker Carbon Capture	Asset Development	Mainstream	Aker Horizons and holdings	Total reportable segments	Other & eliminations	Rainpower	Total
2021									
Balance sheet									
Equity-accounted investments	13	—	80	803	1,577	**2,460**	(1,387)	—	**1,072**
Other non-current assets		33	164	19,557	18,597	**38,352**	(18,551)	261	**20,063**
Current operating assets		255	36	1,605	891	**2,787**	(186)	136	**2,737**
Cash and marketable securities	17	1,321	171	3,618	2,365	**7,475**	—	8	**7,483**
Assets held for sale	18	—	—	1,148	—	**1,148**	54	—	**1,202**
Segment assets		**1,610**	**452**	**26,731**	**23,430**	**52,222**	**(20,070)**	**405**	**32,557**
Borrowings	20	—	87	11,589	5,803	**17,480**	—	84	**17,564**
Non-current operating liabilities		9	5	1,872	—	**1,886**	16	69	**1,971**
Current operating liabilities		525	202	2,208	94	**3,029**	(179)	187	**3,037**
Segment liabilities		**534**	**294**	**15,670**	**5,897**	**22,395**	**(163)**	**340**	**22,572**
Equity		1,076	158	11,060	17,533	**29,827**	(19,907)	65	**9,985**
Non-controlling interest & hybrid capital		—	—	—	—	**—**	4,261	—	**4,261**
Total equity attributable to equity holders of the parent		**1,076**	**158**	**11,060**	**17,533**	**29,827**	**(24,167)**	**65**	**5,725**
Net current operating assets (liabilities)		(260)	(163)	(573)	95	**(901)**	—	(39)	**(939)**
Net cash (debt)		1,321	84	(7,972)	(2,736)	**(9,303)**	—	(76)	**(9,379)**
- of which restricted cash		—	—	2,071	—	**2,071**	—	—	**2,071**
Aker Horizons ASA and holding companies key figures:									**—**
Gross assets value (GAV)[1]		7,062	3,039	10,175	—	**20,276**	2,384	159	**22,819**

1) Gross asset value is the sum of all assets 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 book value of other assets.

Geographical information

Geographical revenue is presented on the basis of geographical location of the Group companies selling to the customers. Non-current segment assets and capital expenditures are based on the geographical location of the assets.

	Revenues		Non-current assets excluding deferred tax assets and financial instruments	
Amounts in NOK million	**2022**	**2021 Restated**	**2022**	**2021**
Norway	810	387	635	1,057
US	3	6	—	11
Korea	—	1	—	—
Ireland	7	5	51	1,400
Chile	1,512	563	19,398	17,848
South Africa	27	16	12	503
UK	8	2	—	1
Vietnam	2	—	1	45
Other	—	2	—	1
Total	**2,371**	**981**	**20,102**	**20,866**

Major customers

The Group has contracts in place for carbon capture and storage services with two major customers. The operating revenue in Aker Carbon Capture, in both 2022 and 2021, was mainly related to these contracts.

In Chile, the Andes Renovables platform is split in three portfolios (Condor, Huemul and Copihue). These have been awarded in total seven different 20-year Power Purchase Agreements with distribution companies in Chile. In addition, the portfolios have entered into bilateral agreements. Six of the Power Purchase Agreements commenced in 2021 and one in 2022. Revenues from two of the customers exceeded 10 percent of the Group's revenue; NOK 501 million and NOK 389 million (2021: NOK 270 million and NOK 200 million).

See note 4 Revenue and other income for disaggregation of revenues from contracts with customers.

4 Revenue and other income

The revenue in Aker Horizons ranges from complex construction contracts, man-hour based sale of engineering or maintenance services, and the sale of electricity generated from power generation assets in solar and wind parks.

Accounting principles

The main principle under IFRS 15 is to recognize revenue at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. To achieve this, IFRS 15 establishes a five-step model to account for revenues arising from contracts with customers.

Construction and service contracts

Aker Carbon Capture deliver specialized products built to a customer's specification under construction contracts. Only approved customer contracts with a firm commitment are used for revenue recognition. Deliveries in the contracts are reviewed to identify distinct performance obligations. This assessment may involve significant discretionary judgment. For the vast majority of the identified performance obligations in construction contracts, control has been assessed to be transferred to the customer over time as the performance obligation is satisfied. Revenue is generally recognized over time using a cost based progress method which best reflects the pattern of transfer of control of goods and services to the customer.

Variable considerations, such as incentive payments, are included in revenue when they are highly probable. Expected liquidated damages (LD) are recognized as a reduction of revenue unless it is highly probable 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. This assessment is performed at the contract's inception. Profit is not recognized until the outcome of the performance obligations can be measured reliably. Contract costs are expensed as incurred. The full loss is recognized immediately when loss-making contracts are identified. The loss is determined based on revenue less direct cost (i.e. labor, subcontractor and material cost) and an allocation of overhead that relates directly to the contract or activities required to fulfill the contract. Revenues in Aker Horizons Asset Development relates to delivery of services related to development projects. Revenue for such services are recognized over time using a cost progress method or according to delivered time and materials.

Power generation contracts
Mainstream owns and operates power generations assets, such as solar PV and wind farms. Mainstream recognizes revenue from the generation and subsequent sale of electricity from generation assets. Revenues from power generation bear the characteristic of delivering power at a certain injection node and price. The performance obligation is to deliver a series of distinct goods (power) and the transaction price is the consideration Mainstream expects to receive, at either spot price, regulated price or contract price. The performance obligation is satisfied over time, which means that revenue should be recognized for each unit delivered at the relevant injection node. Mainstream applies a practical expedient under IFRS 15 whereby the revenue from power contracts is recognized at the amount which the entity has a right to invoice. The right to invoice power arises when power is produced and delivered and the right to invoice the consideration will normally correspond directly with the value to the customer.

In arrangements where Mainstream sells power on an exchange (e.g. National Electricity Coordinator in Chile), the exchange is determined to be the customer. This relates to the enforceable contracts Mainstream has with the exchanges.

Judgments and estimates

In many contracts it can be challenging to estimate the expected revenue and cost in the Group's various customer contracts, in particular if there are operational challenges related to the delivery. The most significant judgments and estimates in the customer contracts are described below:

Performance obligations
Significant management judgment is sometimes required in order to identify distinct performance obligations in construction contracts. This includes an analysis of the customer contract to determine if the goods or services are distinct deliveries or input to an overall promise to deliver a combined system of products and services. As most of the construction contracts represent a single, combined output for the customers, the construction contracts will normally contain one performance obligation.

Total contract cost
The forecasted total contract cost are estimates and sensitive to changes. The cost estimates can significantly impact revenue recognition in construction contracts using cost progress, particularly in lump sum construction contracts. The forecasting of total project cost depends on the ability to properly execute the engineering and design phase, availability of skilled resources, manufacturing capacity, productivity and quality factors, performance of subcontractors and sometimes also weather conditions. Experience, systematic use of the project execution model and focus on core competencies reduce, but do not eliminate, the risk that cost estimates may change significantly.

Disaggregation of revenue from contracts with customers

Amounts in NOK million	ACC	AAD	Mainstream	Other and eliminations	Total
2022					
Construction contracts	736	—	5	—	741
Services	45	7	17	(4)	66
Power generation	—	—	1,564	—	1,564
Total	**781**	**7**	**1,587**	**(4)**	**2,371**
2021					
Construction contracts	338	—	—	—	338
Services	25	14	—	2	41
Power generation	—	—	602	—	602
Total	**363**	**14**	**602**	**2**	**981**

Timing of revenue

For Aker Carbon Capture, the performance obligations in customer contracts vary from a few months to as long as five years. The order backlog as of 31 December 2022 was NOK 1.3 billion, mainly consisting of the Brevik CCS EPC project, Twence Just Catch EPC project, and Net Zero Teesside FEED. The revenue is expected to be recognized over the years 2023-2024.

Mainstream has entered into several Power Purchase Agreements for the Andes Renovables platform, all starting in 2021 and 2022 and lasting for 20 years. These agreements are not included in the Group's order backlog as the performance obligations are decided by the right to invoice at any time, which correspond to the power produced and delivered.

Contract balances
Customer contract assets relate to consideration for work completed, but not yet invoiced at the reporting date. The contract assets are transferred to trade receivables when the right to payment becomes unconditional, which usually occurs when invoices are issued to the customers. Customer contract liabilities relate to advances from customers for work not yet performed.

The change in contract assets and liabilities relates to natural progression of the project portfolio, as well as the current project mix.

Overview of contract assets and contract liabilities from contracts with customers

Amounts in NOK million	Note	**2022**	**2021**
Trade receivables	15	517	534
Customer contract assets	15	13	85
Customer contract liabilities	23	91	405

Other income

Amounts in NOK million	Note	**2022**	**2021**
Reversal of contingent consideration	29	77	176
Gain on sale of associate (REC Silicon)	13	1,642	—
Gain on sale of joint venture (Aela)	13	142	—
Gain on acquisition of joint venture (Redwood)	29	54	—
Other		3	(2)
Total		**1,918**	**174**

5 Employee benefits

Accounting principles

Personnel expenses include wages, salaries, social security contributions, sick leave, parental leave and other employee benefits. Wages, salaries, bonuses, pension and social security contributions, paid annual leave and sick leave are expensed in the period in which the associated services are rendered by employees of the Group's subsidiaries.

Amounts in NOK million	Note	**2022**	**2021 Restated**
Salaries and wages, including holiday allowances		803	617
Share-based payments		34	5
Social security contribution		80	73
Pension cost		41	52
Other employee benefits		85	5
Total salaries, wages and social security costs		1,043	752
Of which capitalized	14	43	46
Net		**1,000**	**706**

Shared based payments

Mainstream operates a share option program which allows employees in Mainstream to acquire shares in the parent company Aker Mainstream Renewables AS. The fair value of options granted is recognized as a charge to the income statement with a corresponding increase in equity. The fair value is measured at grant date and spread over the term during which the employees became unconditionally entitled to the options. The fair value of the options granted is measured using a binomial lattice model, taking into account the terms upon which the options were granted as well as market-based conditions. The fair value determined at the grant date of the equity-settled share based payments is expensed over the vesting period, based on the Group's estimate of shares that will eventually vest.

Pension plans

A defined contribution plan is a type of retirement plan where the employer makes contributions on a regular basis to the employees individual pension account. The benefits received by the employee are based on the employer contributions and gains or losses from investing the capital. Contributions to defined contribution pension plans are recognized as an expense in the income statement as incurred.

The Group's pension plans

Defined contribution plans

All employees are offered participation in a defined contribution plan. The annual contributions expensed for the Norwegian plans in 2022 totaled NOK 29 million (2021: NOK 17 million).

Compensation plan

Employees in Norwegian entities who were employed by Aker Solutions in 2008, when the company changed to defined contribution plans, are part of a compensation plan. The compensation amount is adjusted annually in accordance with the adjustment of the employees' pensionable income, and accrued interest at the market rate. The compensation plan is an unfunded plan and is calculated using an earned balance method. Total liability as of 31 December 2022 amounts to NOK 9 million (2021: NOK 8 million).

6 Other operating expenses

Amounts in NOK million	Note	2022	2021 Restated
Write downs of inventory and other		140	—
External services and hired-ins		678	499
External funding	11	—	(43)
IT and office supplies		170	63
Other operating expenses		198	136
Stamp duty	28	—	92
Total		**1,186**	**747**

Audit fees

The Group has changed auditor to PricewaterhouseCoopers (PWC) applicable for financial year 2022 onwards. In 2021, EY was the elected auditor for Mainstream and KPMG was the elected auditor for the remaining companies in the Group. The table below summarizes audit fees split per audit company, as well as fees for audit-related services, tax services and other services incurred by the Group. The amounts are net of VAT.

Amounts in NOK thousand	2022	2021	2022	2021	2022	2021
	Aker Horizons ASA		Subsidiaries		Total	
Audit	315	—	8,316	—	8,631	—
Other assurance services	71	—	383	—	454	—
Other non-audit services	—	—	—	—	—	—
Total PWC - auditor from 2022	**386**	**—**	**8,699**	**—**	**9,085**	**—**
Audit	1,128	1,840	1,841	7,921	2,969	9,761
Other assurance services	656	3,056	331	1,977	987	5,033
Tax services	—	—	—	5,104	—	5,104
Other non-audit services	—	—	32	3,856	32	3,856
Total KPMG/EY - auditor in 2021	**1,784**	**4,896**	**2,204**	**18,858**	**3,988**	**23,754**
Total	**2,170**	**4,896**	**10,903**	**18,858**	**13,073**	**23,754**

7 Financial income and expenses

Accounting principles

Interest income and expenses include effects from using the effective interest rate method, where fees, interest paid, transaction costs and other premiums are deferred and amortized over the life of the instrument. Interest expenses from lease liabilities are also included.

Foreign exchange gains and losses arise upon settlement of monetary assets and liabilities that are not hedged. Translation of monetary assets and liabilities denominated in foreign currencies related to operating activities, such as trade receivables and payables, are presented as operating gains and losses. Translation of assets and liabilities related to general financing of the entity are included as financial result. Foreign exchange gains and losses also includes the effect of translating monetary assets and liabilities denominated in foreign currencies at the balance sheet date. The profit or loss on foreign exchange forward contracts includes effects from derivatives that do not qualify for hedge accounting, embedded derivatives and the ineffective portion of qualifying hedges.

Amount in NOK million	Note	2022	2021 Restated
Interest income on cash and cash equivalents and investments at amortized cost		126	15
Foreign exchange gain		68	—
Other financial income		3	—
Total financial income		**197**	**15**
Interest expense on financial liabilities measured at amortized cost		(806)	(474)
Foreign exchange loss		—	(235)
Lease interest expense	21	(26)	(16)
Other financial expenses[1]		(169)	(36)
Total financial expenses		**(1,001)**	**(761)**
Net financial expenses		**(804)**	**(746)**

1) Includes NOK 97 million in financial guarantee cost in Mainstream

8 Tax

Accounting principle

Income tax expense comprises current tax and change in net deferred tax. Income tax is recognized as expense or income in the income statement, except where they relate to items recognized in other comprehensive income or posted directly to equity, in which case the tax is also recognized as other comprehensive income or posted directly to equity.

Current income tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the financial statements and their respective tax bases. The amount of net deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted on the date of the consolidated statement of financial position. Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Judgments and estimates

Management judgment is required when assessing valuation of unused losses, tax credits and other deferred tax assets. The recoverability is assessed by estimating taxable profits in future years taking into consideration also expected changes in temporary differences. Profits are compared to the book value of the tax assets. The estimate of future taxable profits is sensitive to future market development for the Group's projects. Forecasts are based on firm orders in the backlog and identified prospects. Changes in assumptions related to the expected prospects and services can have a significant impact on the forecast cash flows. Economic conditions may change and lead to a different conclusion regarding recoverability, and such changes may effect future reporting periods.

Tax expense in income statement

Amounts in NOK million	2022	2021 Restated
Current income tax	—	—
Origination and reversal of temporary differences	1,402	(35)
Income tax benefit (expense)	**1,402**	**(35)**

Effective tax rate

The table below reconciles the reported income tax expense to the expected income tax expense according to the Norwegian corporate income tax rate of 22 percent. It also discloses the main elements of the tax expense.

Amounts in NOK million	2022		2021	
Profit before tax	(6,650)		(2,291)	
Income tax benefit (expense) at Company's domestic tax rate	1,463	22.0 %	504	22.0 %
Effect of tax rates in foreign jurisdictions	296	4.5 %	(92)	(4.0)%
Changes in tax rate	—	— %	(15)	(0.6)%
Tax effect of:				
Share of profit in equity-accounted investees	(24)	(0.4)%	(47)	(2.1)%
Non-deductible expenses	(396)	(6.0)%	35	1.5 %
Tax-exempted income	391	5.9 %	14	0.6 %
Tax effect on items booked in equity	—	— %	43	1.9 %
Tax losses for which no deferred income tax asset was recognized	(343)	(5.2)%	(486)	(21.2)%
Other	15	0.2 %	11	0.5 %
Income tax and effective tax rate	**1,402**	**21.1 %**	**(35)**	**(1.5)%**

Change in net recognized deferred tax assets and liabilities

Amounts in NOK million	Property, plant and equipment	Intangible assets	Projects under construction	Tax loss carry-forwards	Provisions	Derivative financial instruments	Other	Net
2021								
Balance as of 1 January	(1)	(6)	—	5	—	—	2	**—**
Acquisition of subsidiary	1	(1,102)	(21)	25	62	—	(46)	**(1,081)**
Reclassification	—	—	—	274	—	—	(274)	**—**
Recognized in profit and loss	1	(8)	4	13	(46)	—	1	**(34)**
Currency translation differences	—	4	—	—	—	—	—	**3**
Balance as of 31 December	**2**	**(1,112)**	**(16)**	**316**	**16**	**—**	**(317)**	**(1,111)**
Deferred tax asset								**1**
Deferred tax liability								**1112**

Amounts in NOK million	Property, plant and equipment	Intangible assets	Projects under construction	Tax loss carry-forwards	Provisions	Derivative financial instruments	Other	Net
2022								
Balance as of 1 January	2	(1,112)	(16)	316	16	—	**(317)**	(1,111)
Disposal of subsidiary	(3)	43	13	(37)	(7)	—	**1**	10
Recognized in profit and loss	(432)	789	(45)	264	(3)	517	**312**	1,402
Recognized in OCI	—	—	—	—	—	(517)	**—**	(517)
Currency translation differences	—	(206)	—	—	1	—	**(1)**	(207)
Balance as of 31 December	**(433)**	**(486)**	**(49)**	**543**	**7**	**—**	**(5)**	**(422)**
Deferred tax asset								**132**
Deferred tax liability								**554**

Tax loss carry-forwards and unrecognized deferred tax assets (gross)

As of 31 December 2022, the Group had NOK 8,327 million in tax loss carry-forwards. Deferred tax assets from these tax losses were unrecognized by NOK 1,543 million. In addition, the Group had NOK 378 million in other unrecognized deferred tax assets. See below for information of tax loss carry-forwards by jurisdictions and expiry dates.

Amounts in NOK million	2022	
Norway	3,256	No expiry date
Denmark	15	No expiry date
Ireland	1,348	No expiry date
Chile	2,465	No expiry date
UK	284	Expiring 2027 or after
Luxembourg	11	No expiry date
South Africa	393	No expiry date
USA	197	Expiring 2027 or after
Germany	106	No expiry date
Canada	101	Expiring 2027 or after
Other	151	
Total	**8,327**	

9 Earnings per share

Accounting principle

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. 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. Diluted earnings per share will only be disclosed when the dilutive effect decreases the earnings, or increases the loss, per share.

Dilutive instruments as of 31 December 2022 include convertible bonds, see Note 20 Borrowings for more information.

Amounts in NOK	2022	2021
Basic and diluted earnings per share		
From continuing operations	(4.08)	(3.35)
From discontinued operations	0.05	(0.19)
Total basic earnings per share	**(4.03)**	**(3.54)**
Calculation of weighted average number of shares		
Issued shares as of 1 January	609,736,165	3,000
Effect of shares issued	43,508,711	551,495,503
Weighted average number of shares outstanding for the purpose of basic and diluted earnings per share	**653,244,876**	**551,498,503**

Reconciliation of earnings used in calculating EPS (basic and diluted)

Amounts in NOK million	2022	2021
Profit/(loss) from continuing operations as presented in the income statement	(5,248)	(2,325)
Less: profit/(loss) attributable to non-controlling interests	2,585	477
Profit (loss) from continuing operations	(2,663)	(1,848)
Profit (loss) from discounted operations	30	(103)
Profit (loss) used in calculating basic earnings per share	**(2,633)**	**(1,951)**

Convertible bond

Convertible bond, issued in 2021, are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share from their date of issue. Due to loss in both periods presented, basic and diluted earnings per share are identical. See note 20 Borrowings for more information about the convertible bond.

10 Property, plant and equipment

The majority of Aker Horizons' property, plant and equipment relates to power generation assets, and power generation assets under construction in Mainstream's portfolios Condor, Huemul and Copihue (collectively "the Andes Renovables platform") in Chile. In 2022, a total of four projects in the Andes platform reached commercial operation date (COD). Assets under construction consist of four projects, whereof two projects are expected to reach COD in 2023 and the final two projects in 2024.

There are security rights of the lenders over the assets in the Andes platform, see note 20 Borrowings.

Accounting principles

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of a decommissioning obligation, if any, and, for qualifying assets, borrowing costs incurred in the construction period. Capitalization of borrowing costs commences when the activities to prepare the asset for its intended use are undertaken and continue to be capitalized until the date in which development of the relevant asset is complete. All other borrowing costs are recognized in profit or loss in the period in which they incur. Assets are normally depreciated on a straight-line basis over their expected economic lives as follows:

- Power generation assets: 25-30 years
- Machinery and equipment: 2-10 years

Depreciation of a power generation plant commences when the plant reaches its Commercial Operation Date, normally the date of grid connection and commissioning. The residual value of the plant is taken into consideration when calculating the annual depreciation.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognized.

Impairment triggers are assessed quarterly and impairment testing is performed when triggers have been identified.

Asset retirement obligations

An asset retirement obligation exists where the Group has a legal or constructive obligation to remove an asset and/or restore the site where the asset is located. Where the Group is required to settle an asset retirement obligation, the Group has estimated and capitalized the net present value of the obligations and increased the carrying value of the related asset. The cash flows are discounted at a pre-tax risk-free rate as risks are reflected in the cash flows. After initial recognition, an interest expense is recognized as a finance cost relating to the asset retirement obligation, and the capitalized cost is expensed as ordinary depreciation with the related asset. The effects on the net present value of any subsequent changes to the gross removal costs or discount rates adjust the carrying value of assets and liabilities and are expensed over the remaining estimated useful life of the related assets. Refer to note 22 Provisions and non-current liabilities for more information.

Judgments and estimates

Estimated useful life - power generation assets

The estimated useful lives of property, plant and equipment are reviewed on an annual basis and changes in useful lives are accounted for prospectively. When determining the useful life of a plant, the following factors are considered:

- Expected usage of the plant, which is assessed by reference to the asset's expected capacity and physical output, as well as market regulations and maturity
- Expected physical wear and tear, which depends on operational factors and the repair and maintenance program
- Technical or commercial obsolescence
- Legal or similar limits on the use of the plants, such as the expiry dates of related leases

Impairment

Impairment is assessed for individual assets and for cash generating units. Impairment testing involves assumptions about future market development, cash flows, determination of weighted average cost of capital (WACC), growth rate and other assumptions that may change over time.

Asset retirement obligation

Aker Horizons' future asset retirement obligation depends on several uncertain factors such as the possible existence of a power market for the plants after the end of the PPA, future recycling arrangements for assets used in power generation, and/or their second-hand value, future value of steel and copper as well as future development of interest and currency exchange rates. As a result, the initial recognition of the liability and the capitalized cost associated with the removal obligations, and the subsequent adjustments, involve the application of significant judgment. The asset retirement obligation is calculated on a plant by plant basis, taking into consideration relevant project specifics.

Reconciliation of carrying amounts

Amounts in NOK million	Note	Generation assets	Land	Machinery	Under construction	Total
2021						
Balance as of 1 January		—	—	3	—	3
Acquisition of subsidiaries	29	—	142	27	8,030	8,200
Additions[1]		—	—	16	3,574	3,590
Reclassifications to assets held for sale and other disposals	18	—	—	(8)	(163)	(171)
Depreciations		(7)	—	(5)	—	(12)
Reclassifications		2,688	—	—	(2,688)	—
Currency translation differences and other changes		(6)	—	(2)	721	714
Balance as of 31 December		**2,675**	**142**	**32**	**9,475**	**12,324**
As of 31 December 2021						
Cost		2,682	142	124	9,476	12,423
Accumulated depreciation		(7)	—	(92)	—	(99)
Carrying value		**2,675**	**142**	**32**	**9,475**	**12,324**
2022						
Balance as of 1 January		2,675	142	32	9,475	12,324
Additions[1,2]		—	169	20	2,207	2,396
Disposals	30	—	—	(4)	—	(4)
Depreciations		(288)	—	(8)	—	(296)
Reclassifications		6,085	—	(6)	(6,079)	—
Currency translation differences and other changes		482	—	2	1,006	1,491
Balance as of 31 December		**8,955**	**311**	**35**	**6,610**	**15,911**
As of 31 December 2022						
Cost		9,258	311	86	6,610	16,265
Accumulated depreciation		(303)	—	(50)	—	(353)
Carrying value		**8,955**	**311**	**35**	**6,610**	**15,912**

1) Difference between additions and payments for capital expenditures in cash flow statement is explained by adjustments for accruals.
2) Refer to note 29 Changes in group structure for more information on acquisition of land.

During 2022 the Group capitalized borrowing costs amounting to NOK 552 million (2021: NOK 302 million).

11 Intangible assets and goodwill

Intangible assets consist of goodwill and contractual assets acquired through business combinations, and other intangible assets such as IT systems and technology development.

Accounting principles

Intangible assets

Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Research and development costs are expensed as incurred until a project reaches the development phase. Development cost is only capitalized if the product or process is technically and commercially feasible and the business case shows a positive net present value. Capitalized development mainly includes internal labor costs in addition to materials for the development program. Capitalized development is normally amortized over five years on a straight-line basis.

Contractual assets

Contractual assets relates to the Andes Renovables platform in Chile, which consist of three project portfolios (Condor, Huemul and Copihue), all of which had reached the final investment date (FID) at the time of Aker Horizons acquisition of Mainstream. The contractual assets were identified as the portfolios of contracts necessary to operate the projects in the Andes Renovables platform.

The contractual assets are amortized over 30 years, representing estimated useful life of the plants.

Goodwill

All business combinations in the Group are recognized using the acquisition method. Goodwill represents the consideration paid in excess of identified assets and liabilities in the business combination. A substantial part of the goodwill identified in the acquisition of Mainstream in 2021 was related to the requirement to recognize deferred tax for the difference between assigned fair values and the related tax base. Although not an IFRS term, Aker Horizons have used the term "technical goodwill" to describe goodwill that arises as an offsetting account to the deferred tax liabilities recognized in business combinations. Technical goodwill resulting from the acquisition of Mainstream was allocated separately to the three project portfolios in the Andes Renovables platform. The residual goodwill was allocated to the portfolio of development projects in Mainstream.

When performing the impairment test for technical goodwill, deferred tax liabilities recognized in relation to the acquired licenses reduce the net carrying value prior to any impairment charges. This methodology avoids an immediate impairment of all technical goodwill. When deferred tax liabilities from the initial recognition decreases, additional technical goodwill is 'exposed' to impairment. Subsequent to the initial purchase price allocation, depreciation of book values will result in decreasing deferred tax liabilities.

Goodwill is not amortized on a regular basis, but is instead tested for impairment annually, or more frequently if indicators that the value might be impaired exists. Refer to note 12 Impairment for more information.

Judgments and estimates

The decision to capitalize a development program involves management judgment. Management makes assessments of future market opportunities, ability to successfully achieve the desired technological solution and the time and cost it takes to develop it. These factors may change over time.

Reconciliation of carrying amounts

Amounts in NOK million	Note	Capitalized development	Contractual assets	Other	Goodwill	Total
2021						
Balance as of 1 January		4	—	—	—	4
Acquisition of subsidiaries	29	79	4,147	17	2,598	6,841
Additions		13	—	—	—	13
Depreciations		(7)	(53)	—	—	(61)
Currency translation differences and other changes		—	(18)	—	(11)	(28)
Balance as of 31 December		**89**	**4,076**	**16**	**2,587**	**6,769**
As of 31 December 2021						
Cost		96	4,129	17	2,587	6,830
Accumulated depreciation		(7)	(53)	—	—	(61)
Carrying value		**89**	**4,076**	**16**	**2,587**	**6,769**
2022						
Balance as of 1 January		89	4,076	16	2,587	6,769
Additions		65	—	155	114	334
Disposals	30	(74)	—	(1)	(114)	(189)
Depreciations		(3)	(157)	—	—	(160)
Impairments	12	—	(2,939)	—	(1,467)	(4,405)
Currency translation differences and other changes		—	811	1	296	1,108
Balance as of 31 December		**77**	**1,791**	**171**	**1,417**	**3,456**
As of 31 December 2022						
Cost		79	4,895	170	2,884	8,028
Accumulated depreciation		(1)	(3,104)	1	(1,467)	(4,571)
Carrying value		**77**	**1,791**	**171**	**1,417**	**3,456**

Research and development expenses

NOK 64 million relating to development activities was capitalized in 2022 (2021: NOK 13 million). In addition, research and development costs were expensed during the year because the criteria for capitalization were not met. Further, the Group has received external funding of research and development costs that has been recognized as a reduction of costs in the income statement.

Amounts in NOK million	2022	2021
Capitalized research and development costs	64	13
Expensed research and development costs	132	74
External funding of research and development costs	(8)	(25)

12 Impairment

The year was characterized by a volatile and uncertain macro environment, with rising market rates, as well as delays and rising prices as consequence of global supply chain issues. In addition, challenging market conditions in the local Chilean power market impacted the Group negatively, with grid capacity limitations leading to increased costs. Mainstream's diversified portfolio, with both wind and solar power production in the north and south of the country, together with the finalizing of new projects, helped to mitigate the impact.

As a consequence of the difficulties experienced in the local Chilean power market, as well as rising interest rates, the impairment testing of assets resulted in impairment losses of NOK 4,239 million (NOK 3,450 million net of tax) applied to goodwill and intangible assets allocated to Andes Renovables in connection with the acquisition of Mainstream in 2021. An additional impairment of NOK 167 million was recognized on goodwill allocated to other acquisitions.

Accounting principles

Individual assets
Each stand-alone item of property, plant, equipment and right-of-use asset is assessed for impairment triggers every reporting period to identify assets that are damaged, no longer in use or will be disposed of. Capitalized development is assessed for impairment triggers every reporting period to identify development programs where the technological development or commercial outlook for that specific technology no longer justifies the book value. Capitalized development programs that have not been completed are subject to annual impairment testing. Assets are written down to their recoverable amount, if this is lower than book value.

Cash Generating Units (CGU)
Impairment indicators are assessed for each cash generating unit (CGU) every reporting period. A CGU represents the lowest level of independent revenue generated by the assets. This is usually the lowest level where a separate external market exists for the output from the CGU. Impairment indicators are reviewed for all assets through an assessment of market conditions, technological development, changes in discount rates and other elements that may impact the value of the assets in the CGU. Impairment losses are recognized for assets in CGUs where the recoverable amount is lower than book value.

The recoverable amount is the higher of the asset's fair value less cost of disposal and value in use. When estimating value in use and fair value less cost of disposal, expected future cash flows are discounted to the net present value by applying a discount rate after tax that reflects the current market valuation of the time value of money and the specific risk related to the asset. The discount rate is derived from the Weighted Average Cost of Capital (WACC). Various sensitivity analyses for changes in future cash flows, growth rates and WACC are performed for CGUs with limited headroom in the impairment testing.

Goodwill
Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the value may be impaired. Impairment is recognized if the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates is less than the book value, including associated goodwill and deferred tax as described in note 11. Losses relating to impairment of goodwill cannot be reversed in future periods.

Judgments and estimates

The impairment testing of assets is by its very nature highly judgmental as it includes estimates such as future market development, cash flows, determination of CGUs and WACC, and other assumptions that may change over time. In particular, future cash flows are uncertain, as they are impacted by developments beyond Aker Horizons' control. Weather conditions and regulatory developments are two examples that may impact both power generation and power prices. Below is an overview of the key assumptions and judgments applied for impairment testing as of 31 December 2022.

Power prices
The cash flows for the electricity sold through the projects in the Andes Renovables platform are based on long-term power purchase agreements (PPA) ending in 2041/2042. Power generation in excess of committed PPA volume, and after expiration of the PPAs, are based on spot sales throughout the useful life of the assets. No terminal value is assumed for the power plants.

The power prices assumed in the calculation of recoverable amount are based on available market data from external third-party market analytics and Aker Horizons' long-term market outlook.

Effects of limitations on grid capacity
The Chilean electricity grids's current transmission capacity is limited, resulting in periods where it may not be possible to realize the full market value of the production capacity. Due to these grid limitations, the CGUs in Andes Renovables may incur additional costs when delivering the agreed volumes to their customers under the PPAs.

The potential cost increase is impacted by fossil fuel prices, build-out of renewables, transmission line capacity, system costs and demand growth. Cash flow assumptions in the calculations are based on available market data from external third-party market analytics and Aker Horizons' long-term market outlook.

Production volume
The production volume used in the discounted cash flow analyses is the long-term expected production volume for any given site, taking into account all expected technical and meteorological scenarios. The production volume estimate is a combination of information from suppliers, third-party consultants and Aker Horizons' internal estimates

Discount rate
The recoverable amount in the impairment test has been calculated by applying a discount rate of approximately 6 percent. The discount rate is derived from the company's weighted average cost of capital (WACC). The capital-structure considered in the WACC calculation is derived from the capital structures of an identified peer group and market participants with consideration given to optimal structures. The cost of equity is derived from the expected return on investment to the company's investors. The cost of debt is based on the risk-free rate and an observed credit-spread on comparable transactions.

Impairment testing of goodwill

For the purposes of impairment testing, goodwill has been allocated to the following CGUs:

Amounts in NOK million	Note	**2022**	**2021**
Mainstream		1,417	1,389
Condor (Mainstream)		504	419
Huemul (Mainstream)		496	413
Copihue (Mainstream)		301	250
Other		167	114
Total	11	**2,884**	**2,587**

Impairment testing of assets in CGUs

Parts of the goodwill recognized in previous business combinations is allocated to the three CGUs in the Andes Renovables platform. These CGUs consist of PPE (onshore wind and solar parks), contractual assets and working capital items. The recoverable amount has been determined based on fair value less cost of disposal. The carrying value of the three CGUs is calculated as the sum of allocated goodwill, contractual assets, PPE and working capital items, reduced by deferred tax on the items included in the CGU. The table below summarizes the impairments recognized and the recoverable amount per CGU:

	Andes Renovables				
Amounts in NOK million	**Condor**	**Huemul**	**Copihue**	**Other**	**Total**
Net carrying value	8,469	9,095	2,098	167	19,829
Recoverable amount	7,581	7,281	1,349	—	16,212
Impairment	**(887)**	**(1,814)**	**(749)**	**(167)**	**(3,617)**
Allocated as follows:					
Goodwill	—	—	—	(167)	(167)
Technical goodwill	(504)	(496)	(301)	—	(1,300)
Contractual assets	(524)	(1,801)	(613)	—	(2,939)
Total impairment	(1,028)	(2,297)	(914)	(167)	(4,405)
Deferred tax on impairment	141	483	164	—	788
Net	**(887)**	**(1,814)**	**(749)**	**(167)**	**(3,617)**

Andes Renovables

The contractual assets are related to the power purchase agreements entered into with Chilean distribution companies, recognized in the purchase price allocation when Mainstream was acquired in 2021. The expected limitations to the grid and transmission line capacity affect the recoverable amount of the assets negatively, therefore, the impairment exceeding the recognized goodwill in the CGUs is allocated to the contractual assets in full, as the generation assets are considered to have a fair value less cost of disposal that at least equals their carrying value.

Sensitivity analysis
The recoverable amount used in the impairment test is affected by several factors, including power prices, production volume and discount rates. When determining the recoverable amount of the CGUs tested for impairment, a wide range of sensitivity tests have been run on the key assumptions in the fair value calculation, to ensure that the test is addressing the uncertainty in the Chilean power market. This includes adjusting the discount rate and the power prices.

The table below illustrates how the impairment would be affected by changes in various assumptions, given that the remaining assumptions are kept constant. The table illustrates the effect on a total level, including all three CGUs (Condor, Huemul and Copihue).

		Change in impairment after	
Amounts in NOK million	**Change**	**Increase in assumption**	**Decrease in assumption**
Assumption			
Discount rate	+/- 0.5%	(1,210)	1,326
Withdrawal cost	+/- 5.0%	(847)	840

Discount rate
For the sake of sensitivity testing, we have adjusted the discount rate in all three fair value calculations up and down by 0.5 percentage points. Although illustrative impairment in the table above assumes no changes to other input factors, an increase in the discount rate as illustrated above, as an effect of continued high inflation, would lead to an increase in the CPI adjustments of the PPAs, which would reduce the actual impairment amount, compared to what is presented in the table above.

Withdrawal cost
The cost incurred when delivering power (withdrawal cost) under the PPAs is adjusted up or down by 5 percent. No other prices have been adjusted for this sensitivity scenario. The effect of changing the withdrawal cost is only applicable to the period in which the PPAs are in operation.

Other
In addition to the impairments recognized on the CGUs in the Andes Renovables platform, we have recognized a total impairment of NOK 167 million relating to goodwill recognized in the acquisition of Dak Nong in 2021 and Redwood in 2022.

Impairment testing of residual goodwill
Residual goodwill identified in the Mainstream acquisition in 2021 amounts to NOK 1.4 billion. The goodwill relates to Mainstream's development pipeline, combined with its global organization, and is allocated to the Mainstream segment for impairment testing.

Residual goodwill has been tested for impairment. Recoverable amount in the goodwill impairment test is calculated using an average amount of three different fair value calculations, all three using the income approach pursuant to IFRS 13.

The three calculations are based on an internal valuation model, where cash flows from developing new projects over the next 10 years have been estimated. In one of the calculations, the cash flows from projects have been discounted throughout the 10 years. In the two other calculations, only the first five years of project cash flows have been included. After the first five years, one of the calculations estimates the value based on a multiple per MW brought to financial close, whereas the last calculation is based on estimated value creation per MW brought to financial close. The terminal value in all three calculations is based on estimated value created by a fixed number of projects brought to financial close every year in an additional 11 years.

The recoverable amount exceeds the carrying amount by a comfortable margin.

13 Investments in associates and joint ventures

Accounting principle
A joint venture (JV) is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence normally occurs when the company holds a 20-50 percent ownership interest. If ownership is below 20 percent, Aker Horizons will account for the investment according to the equity method if significant influence can be clearly demonstrated.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

See Note 34 Related party transactions for more information about transactions and balances between Aker Horizons and equity-accounted investees.

Equity method
The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost, including transaction cost. The carrying value is subsequently adjusted for further investments and the Group's share of the net income of the associate or joint venture. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

When the Group's share of a loss exceeds the Group's investment in an associate or joint venture, the amount carried in the Group's statement of financial position is reduced to zero and further losses are not recognized, unless the Group has an obligation to cover such losses.

Changes in OCI in equity accounted investees are presented as part of the Group's OCI. Changes recognized directly in equity of the joint venture or the associate are recognized proportionately in the statement of changes in equity for the Group. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the value of the investment in the associate or joint venture may be impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as "Net income/(loss) from JV and associates" in the statement of profit or loss. The requirements to test for impairment are applied to the carrying value of the net investment in the associate or joint venture. The carrying value of the net investment includes share capital and loans.

Equity-accounted investments

The tables below show JVs and associates recognized in the Group's consolidated financial statements, the carrying amount of the investments as well as the share of profit or loss, and the stand-alone financial information for material equity-accounted investments.

		2022			2021		
Amounts in NOK million	**Office**	**Ownership**	**Book value**	**Share of net profit (loss)**	**Ownership**	**Book value**	**Share of net profit (loss)**
MRP Africa Holdings Limited (MRP)	Dublin, Ireland	33.8 %	592	(28)	33.8 %	496	(20)
Korea Floating Wind Power Co., Ltd (MRP))	Ulsan, South-Korea	33.3 %	102	(4)	33.3 %	15	(23)
Principle Power Inc (MRP)	California, US	36.2 %	292	(24)	36.2 %	281	(33)
Greenstat ASA (AAD)	Bergen, Norway	19.4 %	69	(12)	20.8 %	79	—
Meråker Hydrogen AS (AAD)	Meråker, Norway	20.0 %	1	(1)	20.0 %	1	—
REC Silicon ASA (AH)	Bærum, Norway	—	—	(14)	24.7 %	149	(66)
Total associates			**1,056**	**(83)**		**1,021**	**(142)**
SuperNode Ltd (AH)	Dublin, Ireland	50.0 %	91	(25)	50.0 %	41	(7)
Redwood Coast Offshore Wind LLC (MRP)	California, US	50.0 %	—	(7)	50.0 %	11	(5)
Freja Offshore AB (MRP)	Stockholm, Sweden	50.0 %	6	(25)	50.0 %	—	(6)
Green Ammonia Berlevåg AS (AAD)	Berlevåg, Norway	50.0 %	4	(6)	50.0 %	—	(9)
Aela Energía (MRP)	Santiago, Chile	40.0 %	—	—	40.0 %	—	(46)
Other	Other		7	(5)		—	—
Total joint ventures			**107**	**(69)**		**51**	**(73)**
Total equity-accounted investees			**1,163**	**(152)**		**1,072**	**(215)**

See below for further information about material investments as well as summarized financial information (100 percent figures) for the same JVs and associates.

MRP Africa Holdings Limited (MRPAH)
Mainstream Renewable Power Africa Holdings Limited is a holding company for Mainstream's investment in Lekela Power B.V., a renewable power generation company. MRPAH is recognized as an associate, of which Mainstream holds a 33.8 percent shareholding. MRPAH owns 40 percent of Lekela Power B.V., resulting in an indirect shareholding of 14 percent in Lekela Power B.V.

In July 2022, Mainstream and Actis signed an agreement to sell Lekela to Infinity Group and Africa Finance Corporation, and the transaction closed in March 2023, see also note 35 Subsequent events. The transaction is expected to generate net proceeds to Mainstream of approximately USD 90 million, subject to certain closing adjustments, with the transaction valued at an enterprise value of approximately USD 1.5 billion.

Korea Floating Wind Power Co., Ltd. (KFWind)
KFWind is one of eight consortia with an MoU in place with Ulsan City for the development of offshore wind power in the region. Mainstream owns 33.3 percent of KFWind and the remaining shareholding is held by Ocean Winds.

The project is showing good progress, and completed the geophysical survey in Q4 2022. In addition, Mainstream and its partner, Ocean Winds, contributed a total of NOK 270 million in funding to KFWind in December 2022, of which Mainstream contributed according to its ownership share.

Principle Power Inc (PPI)
Principal Power Inc (PPI) is an innovative technology and service provider for the offshore deepwater wind energy market. PPI's proven technology, the Windfloat – a floating wind turbine foundation – enables a change in paradigm for the industry in terms of reduced costs and risks for the installation and operation of offshore wind turbines. A 10.9 percent holding in PPI is categorized as Held for Sale, following a declaration of an option by fellow shareholders EDP Renováveis, see note 18 Assets held for sale. Recognition of the share of profit (loss) of this shareholding ceased when the option was declared. Expected closing of the agreement is first half of 2023.

REC Silicon ASA (REC)
During the first half of 2022, Aker Horizons sold all of its shares in REC Silicon ASA to the South Korean entities Hanwha Solutions Corporation and Hanwha Corporation (together referred to as "Hanwha"). The transaction also included the shares classified as assets held for sale as of 31 December 2021, resulting in total of 92 million shares sold for a total consideration of NOK 1.8 billion. A gain of NOK 1.6 billion was recognized in Other income in the consolidated accounts.

Aela Energia
In February 2022, the investment in Aela was agreed to be sold to a Canadian-listed developer Innergex Renewable Energy, and the sale was completed in June 2022. Net proceeds from the disposal amounted to NOK 1.1 billion and net gain is recognized in Other income by NOK 142 million.

The investment in Aela Energia was reported as held-for-sale as of 31 December 2021 based on the assumption that it was Mainstream Renewable Power's direct 40 percent shareholding in the joint venture that would be sold. However, the disposal was structured in a way where Mainstream Renewable Power did not sell their direct shareholding. Instead, proceeds from the sale was upstreamed to Mainstream Renewable Power as dividends from Aela Energia, and subsequent liquidation of the entity is planned to be completed in 2023. The investment was accordingly transferred back to Investments in associates and joint ventures until disposal took place.

Financial information on principal equity-accounted investees

The following table shows financial information for principal equity accounted-investees as presented in their own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in the investments.

	PPI		KFWind		MRPAH	
Amounts in NOK million	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Revenue	140	97	—	—	—	—
Depreciations and amortizations	(11)	(8)	—	(5)	—	—
Interest income	—	—	2	—	66	35
Interest expense	9	(8)	(1)	(1)	—	(1)
Income tax expense	—	—	—	—	(15)	(9)
Net profit (loss)	**(67)**	**(81)**	**(16)**	**(37)**	**(82)**	**(58)**
Total comprehensive income (100%)	**(67)**	**(81)**	**(16)**	**(37)**	**91**	**(55)**
Group's share of total comprehensive income	**(24)**	**(33)**	**(5)**	**(4)**	**31**	**(20)**
Current assets	**126**	**155**	**216**	**31**	**8**	**707**
- of which cash and cash equivalents	68	123	202	25	—	23
Non-current assets	**208**	**173**	**198**	**25**	**842**	**—**
Current liabilities	**(58)**	**(37)**	**(125)**	**(99)**	**(38)**	**(19)**
- of which current financial liabilities (excluding trade and other payables and provisions)	—	(2)	—	(91)	—	—
Non-current liabilities	**(72)**	**(54)**	**(1)**	**(3)**	**—**	**—**
- of which non-current financial liabilities (excluding trade and other payables and provisions)	(58)	(54)	—	—	—	—
Net assets (100%)	**204**	**237**	**288**	**(45)**	**813**	**688**
Share of net assets, net of NCI	**74**	**86**	**96**	**(13)**	**275**	**232**
Goodwill	218	195	8	2		
Premium to book value	—				325	271
Unrealized gain	—				(7)	(7)
Share of loss not recognized	—	—	(2)	11		
Carrying amount of the investment	**292**	**281**	**102**	**—**	**592**	**496**

14 Inventories

Inventories relate primarily to renewable generation assets under development in Mainstream, which the Group intends to dispose of prior to their Commercial Operation Date. Accordingly, these project assets are held as inventories. Given the development cycle of the projects it is expected that the work in progress will not be realized within one year.

Construction assets which the Group intends to dispose of on or shortly after their Commercial Operation Date, are transferred to Property, Plant and Equipment upon reaching their Commercial Operation Date.

Accounting principles

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the expected selling price in the ordinary course of business less estimated costs to completion and costs to sell. The cost of work in progress covers development costs, construction costs, direct labor costs and other directly attributable costs, including borrowing costs. The Group begins to capitalize costs relating to a project when it secures the initial land required. Overheads of local offices are capitalized to projects where those offices solely support development activities in that region. Head office costs are also capitalized where they are directly attributable to projects. These are capitalized on a time-based allocation of staff working directly on projects and incidental costs they incur.

Judgements and estimates

The Group reviews all projects in development on a periodic basis. Occasionally, these reviews result in a reduction in the carrying value of inventory balances. Judgment has been applied when determining whether costs capitalized are recoverable and in determining the net realizable value where it is deemed the full cost is no longer recoverable. Management uses available market data to determine recoverability on an individual project basis.

Amounts in NOK million	**2022**	**2021**
Work in progress	944	714
Finished goods	8	2
Total	952	716
Write-down in the period	(107)	(7)
Capitalized in the period[1]	361	284

1) See note 5 for amounts related to capitalized people costs.

No capitalized development projects were disposed in the period.

15 Trade and other receivables

Trade and other receivables are to a large extent related to revenues in Aker Carbon Capture and Mainstream, in addition to VAT refunds resulting from the on-going construction activities of the Andes Renovables platform in Chile (Mainstream).

Accounting principles

Trade and other receivables are recognized at the original invoiced amount, less impairment losses. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method would have been used. Impairment losses are estimated based on the expected credit loss method (ECL) for trade receivables, contract assets (with or without a significant financing component) and other receivables.

Trade and other receivables

Amounts in NOK million	Note	**2022**	**2021**
Trade receivables		517	534
Provision for bad debt		—	—
Net trade receivables		517	534
Customer contract assets	3	13	85
Public duty and tax refund		1,004	492
Prepaid expenses		39	44
Other receivables		4	164
Total		**1,577**	**1,319**

Ageing trade receivables

Amounts in NOK million	**2022**	**2021**
Not past due	470	400
Past due 0-30 days	30	116
Past due 31-90 days	9	4
Past due 90-365 days	8	8
More than one year	—	6
Total	**517**	**534**

As of 31 December 2022, there were no materially overdue receivables. As a result, no impairment was deemed to be required. The Group has no history of significant credit losses.

16 Marketable securities

Marketable securities for 2021 include the Group's investment in money market funds. The underlying investments in the funds were all made in investment grade bonds. The majority of the investments were related to bonds issued by Norwegian financial institutions or municipalities.

Accounting principles

Marketable securities are classified as a financial assets measured at amortized cost.

Amounts in NOK million	2022	2021
Marketable securities	—	702
Total	**—**	**702**

17 Cash

Accounting principles

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less and subject to an insignificant risk of changes in fair value. Restricted cash comprises cash that is held for a specific purpose and therefore not available for immediate or general business use.

Amounts in NOK million	2022	2021
Cash in cash pool	368	422
Interest-bearing deposits	8,315	4,990
Cash and cash equivalents	**8,683**	**5,412**
Restricted cash	**2,076**	**2,071**
Total	**10,759**	**7,483**

Restricted cash

As of 31 December 2022, NOK 2.1 billion of the Group's cash was restricted in respect of Mainstream. Of this amount around NOK 526 million relates to cash backing of certain guarantees provided on behalf of Mainstream. Around NOK 1.5 billion relates to the portfolios, where cash disbursed under the project finance facilities is restricted for use within the specific portfolio. Restricted cash also includes NOK 18 million is restricted cash related to employee tax withholdings.

18 Assets held for sale

Amounts in NOK million	Note	**2022**	**2021**
Transmission line, Chile		182	161
Shareholding in Aela Energía	13	—	901
Shareholding in Principle Power Inc		86	86
Shareholding in REC Silicon	13	—	54
Total		**268**	**1,202**

Accounting principle
Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. 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 held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognized in profit or loss.

Non-current asset classified as held for sale are presented separately from other assets 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.

Judgments and estimates
Judgment have been made when assessing whether assets or a group of assets shall be classified as held for sale. As of 31 December 2022, the Group has agreed to sell Lekela Power, Africa's largest pure-play renewable energy independent power producer, to Infinity Group and Africa Finance Corporation, generating proceeds of about USD 90 million. The transaction is expected to be closed in during first half of 2023. Aker Horizons' ownership in Lekela Power is through the associated company Mainstream Renewable Power Africa Holdings Limited (MRPAH), whereby Aker Horizons holds 33.8 percent. As it is not this shareholding that will be disposed but instead shareholdings further down in the Lekela entity structure, the investment in MRPAH has not been classified as held for sale in the balance sheet of 31 December 2022.

Shareholding in Principle Power Inc (PPI)
Following declaration of an option by the JV partner EDPR/Ocean Winds, Aker Offshore Wind will sell a shareholding of 10.9 percent in PPI. The book value of these shares, NOK 86 million, has been presented as assets held for sale in the balance sheet as of 31 December 2022 (unchanged from 2021). Recognition of the share of profit (loss) from this shareholding ceased when the option was declared. The share disposal is expected to be completed during first half of 2023.

19 Share capital and capital reserves

The Company holds no treasury shares. The share capital of Aker Horizons ASA is divided into 690,351,751 ordinary shares, with a nominal value of NOK 1. All issued shares are fully paid.

Issues of ordinary shares during the year	**2022**	**2021**
Shares at the beginning of the period	609,739,165	3,000
Issue of ordinary shares January	—	568,893,516
Issue of ordinary shares February	—	11,857,142
Issue of ordinary shares June	80,612,586	—
Issue of ordinary shares November	—	28,985,507
Ordinary shares at the end of the period	**690,351,751**	**609,739,165**

Share capital and other paid-in capital
Aker Horizons ASA has one class of shares, ordinary shares, with equal rights for all shares. The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at General Meetings.

Foreign currency translation reserve
The foreign currency translation reserve comprises the aggregate effect since incorporation or acquisition of translating the equity of subsidiaries that have a functional currency different to the currency of the parent company, including the Group's share of joint venture and associate foreign exchange variations.

Other equity
Other equity comprises continuity differences from common control transactions and the equity component of compound instruments.

Cash flow hedge reserve

The cash flow hedge reserve comprises the aggregate movement in the value of interest rate swaps that has been designated for hedge accounting, including the Group's share of joint venture and associate cash flow hedge reserves.

20 Borrowings

Accounting principles

Interest-bearing borrowings are recognized initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Overview of loans and borrowings

Amounts in million	Currency	Nominal currency value	Maturity	Carrying amount (NOK)
2022				
Revolving Credit Facility - Aker Horizons ASA	NOK	—	2024	(17)
Green bond - Aker Horizons ASA	NOK	2,500	2025	2,501
Convertible loan - Aker Horizons ASA	NOK	1,500	2026	1,307
Shareholder loan - Aker Horizons ASA	NOK	2,000	2026	2,260
Total corporate borrowings				**6,051**
Project financing - Mainstream	USD	1,129	2038-2041	10,653
Mezzanine loan - Mainstream	USD	304	2025	2,899
VAT loans - Mainstream	CLP	31,415	2023/2024	294
Other loans - Mainstream				10
Other loans	NOK	—		66
Total other borrowings				**13,922**
Total borrowings				**19,973**
Current borrowings				871
Non-current borrowings				19,102

Amounts in million	Currency	Nominal currency value	Maturity	Carrying amount (NOK)
2021				
Revolving Credit Facility - Aker Horizons ASA	NOK	—	2024	(41)
Green bond - Aker Horizons ASA	NOK	2,500	2025	2,487
Convertible loan - Aker Horizons ASA	NOK	1,500	2026	1,241
Shareholder loan - Aker Horizons ASA	NOK	2,000	2026	2,116
Total corporate borrowings				**5,803**
Facilities - Rainpower	NOK	84	2026	84
Project financing - Mainstream	USD	1040	2038-2041	8,712
Mezzanine loan - Mainstream	USD	301	2025	2,563
VAT loans - Mainstream	CLP	19,744	2023/2024	189
Other loans - Mainstream				125
Other loans	NOK	87		87
Total other borrowings				**11,761**
Total borrowings				**17,564**
Current borrowings				446
Non-current borrowings				17,118

Revolving Credit Facility (RCF)

The Company has a multi-currency revolving credit facility for EUR 500 million that can be drawn for general corporate purposes of the Group, including for the purpose of funding CapEx, acquisition costs and expenses. The loan carries an interest rate of 3M NIBOR + 2.5 percent margin p.a. The RCF includes customary financial covenants such as a maintenance-based loan to value (LTV) covenant of 50 percent. Loan in the LTV covenant includes senior loans in Aker Horizons ASA (not subordinated debt). The covenant also includes a minimum liquidity covenant, in the form of cash or undrawn facility, of NOK 200 million. As of 31 December 2022, the facility was undrawn.

Green bond

In February 2021, the Company signed an unsecured green bond issue in an amount of NOK 2,500 million, with a tenor of 4 years, a bullet amortization and carry an interest rate of 3M NIBOR + 3.25 percent margin p.a. The terms of the green bond issue include customary financial covenants such as an incurrence-based loan to value covenant and a minimum liquidity covenant of NOK 200 million, in line with the RCF described above.

Convertible bond

In February 2021, the Company issued an unsecured convertible bond in the amount of NOK 1,500 million with a tenor of 5 years, bullet amortization and 1.5 percent p.a. payment in kind (PIK) interest. The bondholders may elect to convert the bonds to shares in the Company at any time during the term of the bond issue at a conversion price which is 25 percent above the offer price of NOK 35 per share in the private placement that took place in January 2021 in Aker Horizons ASA. The bonds issued under the convertible bond issue rank pari passu with other subordinated debt of Aker Horizons but are subordinated to senior debt of the borrower in the event of a default under any of Aker Horizons' financial arrangements.

On initial recognition, the fair value of the the debt component of the convertible bond was estimated to NOK 1,152 million and the residual of NOK 348 million was recognized as equity.

Shareholder loan

In January 2021, the Company entered into a subordinated loan agreement of NOK 2,000 million with Aker Capital AS (see Note 34 Related party transactions for more information).

Project financing - Mainstream

Condor: In 2019, Mainstream entered into a project financing loan agreement for USD 552 million, which was fully drawn as of 31 December 2022. This loan has provided construction funding to finance the majority of Mainstream's commitment in the Condor projects, and installments are payable quarterly until 2038. 8 percent of the loan accrues interest at 4.17 percent p.a. and the remainder initially at LIBOR + 2.35 percent p.a. The margin increases by 25 bps every fourth year commencing 1 September 2025 until reaching LIBOR + 3.35 percent.

Huemul: In 2020, Mainstream entered into a project financing loan agreement for USD 542 million, of which USD 518 million was drawn down as of 31 December 2022. This loan is providing construction funding to finance the majority of Mainstream's commitment in the Huemul projects, and installments are payable quarterly until 2038 (commercial tranche) and 2039 (Inter-American Investment Corporation (IDB Invest) tranche) . The loan initially accrues interest at LIBOR + 2.45 percent p.a. The margin increases by 25 bps every fourth year commencing 1 June 2026 until reaching LIBOR + 3.45 percent. Furthermore, upon the maturity of the commercial tranche in 2038, the IDB Invest tranche will attract a margin of LIBOR + 3.575 percent until it matures.

Copihue: In 2021, Mainstream entered into a project financing loan agreement for USD 162 million, of which USD 85 million was drawn down at 31 December 2022. This loan will provide construction funding to finance the majority of Mainstream's commitment in the Copihue project, and installments are payable quarterly until 2041. The loan initially accrues interest at LIBOR + 2.25 percent p.a. The margin increases by 25 bps every fourth year commencing 1 September 2027 until reaching LIBOR + 3.25 percent.

Interest rate swaps are in place for the project financing described above and are disclosed in note 28 Derivative financial instruments. Project financing and associated interest rate swaps are linked to USD LIBOR rates which will stop being published in June 2023. Alternate rates are currently being considered by the Group, with the expectation that the margin of the transactions will remain the same following transition. The transition is expected to occur in the first quarter of 2023.

Covenants: The construction financing loans referred to above have customary covenants that relate to the use of funds and 12-month historic and projected Debt Service Coverage Ratios ("DSCR") at each debt service payment date. The DSCR means, as at any date of determination, as determined on a cash basis, the ratio of (a) (i) Project Revenues for the relevant calculation period less (ii) Operation and Maintenance Expenses with respect to all Projects for such period, to (b) Debt Service for such period. The historical DSCR should be higher than 1.00x otherwise would be considered as an event of default. The historical DSCR is also a condition that allow Restricted Payments (mainly dividends and repayment of shareholder loans), in this case should be higher than 1.20x.

Project finance loans such as Andes Renovables contain numerous customary measures relating to the construction and the running of the project companies in order to ensure the lenders the expected level of comfort with the project execution and management and the expected involvement in the decision-making processes. The legal documents governing the loans set out these measures including requirements for lenders' approval on matters such as updates to material contract documents, a wide range of financial matters, schedules of dates of various milestones and a list of specified documents and materials that are to be finalized and submitted to the lenders within a set timeline. Throughout the construction of 10 projects within the Andes Renovables platform, Mainstream has been in regular contact with its lenders and has received the lenders' support on all key aspects of the build to date. At 31 December 2022 all of the Andes Renovables' loans were fully compliant with no defaults outstanding.

Please refer to note 35 Subsequent events for information about certain technical defaults that occurred subsequent to year end. Mainstream, is in an active dialogue with the banks relating to document waivers and approvals required to resolve the defaults.

Security rights: As part of the project financing loan agreements and also the VAT loan described below , there are security rights of the lenders, over the underlying assets in the Condor, Huemul and Copihue projects. These security rights include pledges over project related property, plant and equipment, both in construction and in operations, cash, trade receivables and all other assets.

Mezzanine Financing Loan: In 2020, Mainstream entered into a mezzanine financing loan agreement for USD 296 million, of which USD 286 million was drawn as of 31 December 2022. The loan balance also reflects Payment-in-kind interest of USD 17 million The loan provides funding to finance a portion of Mainstream's commitments in the Condor, Huemul and Copihue projects. The loans accrue interest at 8.25 percent p.a. in the construction phase and 7.5 percent p.a. during operations. Until such point as all projects in the Andes Renovables portfolio have achieved project completion, Mainstream is able to pay in kind (PIK) up to 50 percent of interest. The loan has a term of five years at which date the principal is due for repayment.

Other loans - Mainstream

Mainstream Renewable Power has entered into Project Financing VAT loan agreements for USD 109 million, of which USD 30 million was drawn down as of 31 December 2022. This loan provides VAT funding to support Mainstream's commitment in the projects that form part of the Andes Renovables platform. The loan related to Condor amounts to USD 17 million has termination date in October 2023 at which date the principal is due for payment. Remaining loans, which relate to Huemul and Copihue, are payable in third quarter 2024.

Reconciliation of movements of liabilities to cash flows arising from financing activities

Amounts in NOK million	Corporate loans	Other loans	Leases	Total
2021				
Balance as of 1 January 2021	1,184		41	1,225
Proceeds from borrowings	4,569	2,731	—	7,300
Repayments from borrowings	(560)	(462)	—	(1,022)
Transaction costs borrowings	(115)	(62)	—	(177)
Lease payments	—	—	(58)	(58)
Total changes from financing cash flows	**3,894**	**2,207**	**(58)**	**6,043**
Other changes				
Remeasurement	—	—	75	75
Reclassifications equity component convertible loan	455	—	—	455
Foreign exchange movements		619		620
Accrued interest	244	7	18	269
Acquisition of business	—	8,921	591	9,512
Capitalized borrowing costs	26	7	—	33
Total other changes	**725**	**9,554**	**685**	**10,964**
Balance as of 31 December 2021	**5,803**	**11,761**	**668**	**18,232**

Amounts in NOK million	Corporate loans	Other loans	Leases	Total
2022				
Balance as of 1 January 2022	5,803	11,761	668	18,232
Proceeds from borrowings	—	1,360	—	1,360
Repayments from borrowings	—	(604)	—	(604)
Lease payments	—	—	(76)	(76)
Total changes from financing cash flows	**—**	**756**	**(76)**	**680**
Other changes				
Reclassifications / remeasurement	—	(119)	84	(35)
Foreign exchange movements	—	1,268	48	1,316
Accrued interest	213	385	29	627
Disposal of business	—	(100)	(65)	(165)
Capitalized borrowing costs	35	(29)	—	6
Total other changes	**248**	**1,405**	**95**	**1,748**
Balance as of 31 December 2022	**6,051**	**13,922**	**687**	**20,660**

21 Leasing

The Group's leases mainly consist of land and office buildings, in addition to some machines and office equipment. Contracts that contain a lease are recognized in the balance sheet as a right-of-use asset and lease liability unless the lease is short-term (less than 12 months duration) or low-value (less than NOK 50,000).

Accounting principles

IFRS 16 requires a lessee to account for lease contracts by recognizing a lease liability and an asset representing the right to use the underlying asset for the lease term. The lease liability represents the net present value of the lease payments to be made over the remaining lease period. The right-of-use asset is depreciated over the lease term and interest expense on the lease liability are recognized in the income statement.

The Group recognizes a lease liability and corresponding right-of-use asset for all lease agreements, except for short-term leases or low-value assets. For leases defined as short-term or low-value, the lease payments are recognized as other expense in the income statement.

Measuring the lease liability

The lease liability is initially measured at the present value of future lease payments. Lease payments are discounted using a rate that is calculated for each lease. The non-cancellable lease period, together with periods covered by an option to extend the lease, is basis for the lease term, if the Group is reasonably certain to exercise the option.

Measuring the right-of-use asset

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairments, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date. Right-of-use assets are subject to impairment testing.

Judgments and estimates

Judgment has been applied when determining the discount rate used in the calculation of lease liabilities. The Group applies the intercompany borrowing rate, which is based on the Group's external medium-term borrowing rates with premium adjustments for any subsidiary specific risk factors.

The lease term assessment requires management's judgment and is made at the commencement of the lease. The lease term is reassessed if an option is exercised or the Group becomes reasonably certain to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the Group's control.

Right-of-use assets

Amount in NOK million	Note	Land and buildings	Machinery and equipment	Total right-of-use assets
2021				
Balance as of 1 January		38	—	38
Acquisition of subsidiaries	29	571	3	574
Additions		87	—	86
Depreciations		(26)	(1)	(27)
Currency translation differences and other changes		29	—	29
Balance as of 31 December		**698**	**2**	**700**
At 31 December 2021				
Cost		729	3	732
Accumulated depreciation		(31)	(1)	(31)
Carrying value		**698**	**2**	**700**
2022				
Balance as of 1 January		698	2	700
Additions		81	3	84
Disposals	30	(65)	2	(63)
Depreciations		(41)	(5)	(46)
Currency translation differences and other changes		59	—	59
Balance as of 31 December		**731**	**2**	**734**
At 31 December 2022				
Cost		784	4	789
Accumulated depreciation		(53)	(2)	(55)
Carrying value		**731**	**2**	**734**

The majority of the right-of-use assets from Mainstream relate to seven land leases in Chile for the Condor and Huemul portfolios, expiring over a period of 22 to 33 years.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land and buildings: 2-33 years
- Machinery and equipment: 1-5 years

Lease liabilities

Amount in NOK million	Note	2022	2021
Balance as of 1 January		668	41
Acquisition of subsidiaries	28	—	591
Additions		84	75
Lease payments	7	(76)	(58)
Accrued interest		29	18
Disposals		(65)	—
Currency translation differences and other changes		48	1
Balance as of 31 December		**687**	**668**
Current		**61**	**63**
Non-current		**626**	**605**

Short-term and low-value assets expensed in income statement amounts to NOK 2 million (2021: NOK 1 million). For maturity of undiscounted lease payments as of 31 December, see note 25 Financial risk and exposure.

22 Provisions and non-current liabilities

Accounting principles

A provision is a liability with an uncertain timing and amount. Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a cash outflow will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A contingent liability is a possible obligation that arises from past events that typically depends on a future event outside of the company's control, for example a court decision. A provision is made when it is considered as probable that cash outflow will take place, and the obligation can be measured reliably.

Contingent liabilities arising from past events and for which it is not probable that an outflow of resources will be required to settle the obligation, if any, are not recognized but disclosed with an indication of uncertainties relating to the amounts and timing involved. Disclosures are not given if the possibility of an outflow in settlement is remote.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as finance expenses in the consolidated income statement.

Judgments and estimates

The provisions are estimated on the basis of a number of assumptions and are highly judgmental in nature.

Provisions

Amounts in NOK million	**Asset retirement obligations**	**Other**	**Total**
Balance as of 1 January 2022	89	46	136
Disposal of subsidiaries	—	(16)	(16)
Provisions made during the year	216	—	216
Provisions used during the year	—	(33)	(33)
Currency translation differences	12	3	14
Balance as of 31 December 2022	**317**	**—**	**317**

Asset retirement obligations

The Group recognizes a decommissioning provision in the cost of generation assets when there is an obligation to decommission and restore the sites it occupies. As of 31 December 2022, provisions totaling NOK 317 million have been recognized. See Note 10 Property, plant and equipment for accounting principles and related judgments used in estimation of this obligation.

Other non-current liabilities

Amounts in NOK million	Note	**2022**	**2021**
Employee benefits	5	9	8
Deferred consideration - non current	29	75	—
Total		**84**	**8**

23 Trade and other payables

Trade and other payables is to a large extent related construction activities in Chile, with continued high activity in 2022.

Accounting principles

Trade and other payables are recognized at the original invoiced amount. The invoiced amount is considered to be approximately equal to the value derived if the amortized cost method had been used.

Amounts in NOK million	Note	**2022**	**2021**
Trade payables		572	274
Accrued expenses		1,132	1,986
Contract liabilities		91	405
Public duties and taxes		80	105
Other current liabilities		123	20
Deferred consideration[1]	29	112	142
Current provisions	22	—	42
Total trade and other payables		**2,110**	**2,974**

1) Deferred consideration relates to the purchase of Development and Technology JSC (2021) and purchase of Powered Land AS (2022).

24 Capital management

The overall objectives of Aker Horizons' capital management policy are to maintain a strong capital base and liquidity position that preserve investor, creditor and market confidence, to ensure financial flexibility to be able to act on opportunities as they arise, and to maintain a capital structure that minimizes the Company's cost of capital. Aker Horizons pursues a conservative strategy with minimal risk for placements of surplus liquidity, and need to be flexible in terms of liquidity.

Aker Horizons' capital management is based on a rigorous investment selection process, which considers not only Aker Horizons' weighted average cost of capital and strategic orientation but also external factors.

Funding policy

Aker Horizons has a strong focus on liquidity to ensure solvency for financial obligations and to have available capital to seize opportunities. The corporate liquidity reserve in the Aker Horizons' holding companies at year-end 2022 was NOK 9.4 billion. This was composed of an undrawn committed credit facility of EUR 500 million and cash and cash equivalents of NOK 4.1 billion in "Aker Horizons & holding" (compared to cash and cash equivalents of NOK 10.8 billion for the entire group).

Aker Horizons aims to access diversified funding sources in order to minimize the cost of capital. In addition to the use of banks for syndicated credit facilities and the issue of equity and debt instrument in Norwegian and foreign capital markets, Aker Horizons can fully or partially realize investments in its portfolio to access liquidity. For funding needs in portfolio companies, the Group's funding policy is that subsidiaries should finance their operations on a stand-alone basis. There are several levers to pull in addition to customary corporate and project-level debt financing, including farming down and inviting strategic investors at the project or portfolio company level.

Ratios used in monitoring of capital/covenants

Aker Horizons corporate debt

Aker Horizons monitors its compliance with corporate debt requirements on the basis of a loan to value (LTV) ratio which has a covenant with a maximum senior debt balance of 50 percent of consolidated values, and a minimum available liquidity, in the form of cash or undrawn RCF balance, of NOK 200 million. The covenants are monitored on a regular basis by the Aker Horizons Treasury Department to ensure compliance with the loan agreements and are tested and reported on a quarterly basis. Aker Horizons was in compliance with its covenants as of 31 December 2022.

For covenant information on other borrowings in Aker Horizons, see note 20 Borrowings.

25 Financial risk and exposure

Financial risk and capital management

The Aker Horizons Group consists of various operations and companies that are exposed to different types of financial risks, including credit, liquidity and market risk (e.g., energy 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 Horizons' financial results. The Group uses different financial instruments to manage its financial exposure actively.

The Group has put in place a set of policies and procedures to assist in the management of group financial risks. These procedures are to be approved and reviewed annually by the Board and primarily cover foreign exchange risk, credit risk, liquidity risk and interest rate risk.

Credit risk

Credit risk is the risk of financial losses if a customer or counterparty to financial receivables and financial instruments fails to meet contractual obligations. The Group is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including deposits with banks and financial institutions.

The Group actively monitors its credit exposure to each counterparty. In addition, the Group reviews the creditworthiness of key suppliers, customers or other stakeholders and partners (such as construction contractors, electricity off-takers or turbine suppliers) when entering into significant or long-term contracts. The Group currently has no concerns regarding the recoverability of receivables based on our assessment of these counterparties.

The Group transacts with a variety of highly credit rated financial institutions for the purpose of placing deposits. The Group's objective is to only trade with counterparties that have an investment grade rating.

The maximum exposure to credit risk at the reporting date equals the book value of each category of financial assets (note 17 Cash, note 15 Trade and other receivables and receivables on joint venture and associates as disclosed in note 34 Related party transactions. The Group does not does not secure credit by means of collateral.

Outstanding customer and other receivables are regularly monitored. For trade receivables, the Group applies a simplified approach in calculating expected credit losses. At 31 December 2022 and 2021, no allowance was required.

Commodity price risk

The Group, through its investment in Mainstream Renewable Power, is exposed to commodity price risk as the price of electricity is a key input to the valuation of a solar PV or wind farm asset. The Group intends to manage the risk of electricity price volatility by seeking to agree Power Purchase Agreements (PPAs) with off-takers of electricity to fix a price for a given term prior to financial close of a project.

The Group also considers other commodity price risks, such as that of steel and other metal components which can have an impact on the Group's business, as part of its overall risk assessment.

Currency risk

The Group's operations in the international market results in various types of currency exposures. Currency risk arises through ordinary course of business, potential mergers and acquisitions, capitalized assets and liabilities and when such transactions involve payments in a currency other than the functional currency of the respective company. In addition, currency risk will occur if investments in subsidiaries are made in another currency than its functional currency.

The Group's exposure to currency risk is primarily related to EUR, GBP, USD and CLP and is managed in accordance with the agreed policies.

The policy is to hedge short to medium term foreign currency exposure based on prudent cash flow assessment. Project financing aim to match the currency of the future revenue in the projects. Aker Horizons does generally not hedge currency exposures of equity investments. As of 31 December 2022, the Group did not have significant residual currency exposure related to its activities.

Liquidity risk

Liquidity risk is the risk that the Group will have insufficient funds to meet its liabilities. The Group actively manages its use of long-term and short-term assets and liabilities to ensure it has sufficient funds available to meet the demands of the Group. The Group has long-term debt funding and has cash balances with deposit maturities up to three months.

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	Total contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
2022							
Corporate loans	6,050	**7,362**	110	111	194	6,946	—
Mainstream loans[1]	13,857	**21,909**	658	789	1,400	6,354	12,709
Other	66	**68**	4	25	27	12	—
Total borrowings	**19,973**	**29,339**	**772**	**925**	**1,621**	**13,312**	**12,709**
Lease liabilities	687	**1,096**	66	15	55	141	819
Trade and other payables	2,110	**2,110**	2,110				
Total borrowings and other liabilities	**22,770**	**32,545**	**2,947**	**940**	**1,676**	**13,453**	**13,528**

			Contractual cash flows including estimated interest payments				
Amounts in NOK million	Carrying amount	Total contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
2021							
Corporate loans	5,803	**7,371**	76	77	153	7,065	—
Mainstream loans[1]	11,590	**15,054**	409	351	1,031	4,488	8,775
Rainpower loans	84	**91**	1	31	2	57	—
Other	87	**90**	—	25	52	13	—
Total borrowings	**17,564**	**22,606**	**486**	**484**	**1,238**	**11,623**	**8,775**
Lease liabilities	668	**997**	53	25	81	147	691
Long-term derivative financial liabilities	153	**153**	49	21	21	38	24
Trade and other payables	2,932	**2,932**	2,932				
Total borrowings and other liabilities	**21,317**	**26,688**	**3,520**	**530**	**1,340**	**11,808**	**9,490**

1) Amounts do not reflect effect of interest swaps which will reduce the total cash out flows, which totals NOK 1.9 billion as at 31 December 2022 (2021: NOK 90 million). See note 28 Derivative financial instruments for more information on maturity profile for interest rate swaps.

As of 31 December 2022, the Group had cash and cash equivalents of NOK 10.8 billion, of which NOK 2.1 billion was restricted, see Note 17 Cash.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of an asset or liability will fluctuate because of changes in market interest rates. Aker Horizons' interest rate exposure mainly arises from external funding in bank and debt capital markets. Most of the external debt in Aker Horizons is at floating interest rates.

The Group manages this risk by borrowing at a fixed rate of interest as deemed appropriate. Where Group borrowings are at a floating rate of interest, the Group use interest rate swaps to achieve the desired fixed/floating ratio of the external debt. Portfolio companies with project financing including a floating element typically hedge in excess of 75 percent of said floating amount.

The interest profile of the Group's interest-bearing financial instruments is as follows:

Amounts in NOK million	**2022**	**2021**
Fixed-rate instruments		
Financial liabilities	(6,560)	(6,059)
Total	(6,560)	(6,059)
Effect of interest rate swaps	(10,433)	(8,878)
Total	**(16,993)**	**(14,936)**
Floating-rate instruments		
Financial assets	10,759	8,185
Financial liabilities	(13,413)	(12,049)
Total	(2,654)	(3,864)
Effect of interest rate swaps	10,433	8,878
Total	**7,779**	**5,014**

Effect of increase of 100 basis points in interest rates on profit (loss) before tax:

Amounts in NOK million	Note	**2022**	**2021**
Cash and cash equivalents	17	108	75
Marketable securities	16	—	7
Borrowings	20	(134)	(120)
Interest rate swaps	28	104	89
Net		**78**	**51**

A decrease of 100 basis points in interest rates would have had the equal but opposite effect on the above amounts, on the basis that all other variables remain constant.

26 Climate risk

Climate change represents both a risk and an opportunity for Aker Horizons, directly linking to our vision and purpose of developing green energy and green industry to accelerate the transition to Net Zero. Effective assessment and analysis of these climate-related risks (both physical and transitional) and opportunities is critical to understanding the potential impacts of climate-related risks on asset valuations, revenue and investment needs. To successfully identify and manage climate-related risks and opportunities, Aker Horizons used the Taskforce on Climate-related Financial Disclosures (TCFD) framework. The results of this assessment inform Aker Horizons' strategy, investments, financial planning and valuations, and allow stakeholders to comprehend the financial ramifications of Aker Horizons and portfolio companies' climate-related exposure.

Aker Horizon's full TCFD report can be found in the Appendix.

Effects on Aker Horizons' financial statements

Overall, Aker Horizons is well positioned to profit from the increased focus on reducing emissions and reaching the net zero target. However, in the process of reaching the global emission targets, and for the world to transition to green electricity as the main source of energy, we have identified transition risk as a key risk, that may affect the value of Aker Horizons' assets.

The transition risk relates to a non-synchronized development that may delay the overall speed of the transition. Permitting delays and more physical grid connection constraints are a risk to the speed of the transition. To mitigate this risk, we engage with regulators and Governments through industry associations to address these market inefficiencies.

In Chile in 2022, we experienced transition risk related to market design, which was exacerbated in part by physical climate risk due to weaker hydrological conditions. Chile's market design and transmission system remains dislocated, with operators exposed to additional power delivery costs. These grid challenges were compounded by the increases in international fossil fuel prices, a lack of available LNG imports to Chile and weak Chilean hydrology.

Please also refer to note 12 Impairment.

27 Financial instruments

Financial assets and liabilities in the Group consist of investments in other companies, trade and other receivables, cash and cash equivalents, forward foreign exchange contracts, trade and other payables, borrowings and equity.

All financial assets and liabilities, except for derivative financial instruments (note 28) and marketable securities (note 16), are measured at amortized cost.

Amortized cost is considered a reasonable approximation of fair value for all financial assets and liabilities, with the following exceptions:

Amount in NOK million	Note	Carrying value	Fair value	Fair value hierachy
Green Bond	20	2,501	2,354	Level 2
Convertible	20	1,307	1,129	Level 2

When measuring the fair value of an asset or a liability, the Group used observable market data as far as possible. Fair value are categorized into different levels in a fair value hierarchy based on inputs used in the valuation techniques as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Derivative financial instruments and marketable securities are measured at level 2 in the fair value hierarchy. The valuation of the interest swaps is based on an external valuation model, derived from a Mark To Market model. There has been no material change in the valuation methodology in the current or preceding year.

28 Derivative financial instruments

Aker Horizons' interest rate exposure mainly arises from external funding in bank and debt capital markets. The Group manages this risk by borrowing at a fixed rate of interest as deemed appropriate. Where Group borrowings are at a floating rate of interest, the Group use interest rate swaps to achieve the desired fixed/floating ratio of the external debt. Portfolio companies with project financing including a floating element typically hedge in excess of 75 percent of said floating amount.

Further information regarding risk management policies in the Group is available in Note 25 Financial risk and exposure.

Accounting principle

Hedge accounting is applied using the cash flow model for interest rate swaps which means that gains and losses from floating to fixed interest rates are recognized in the hedging reserve in equity and will be continuously released to the income statement until the bank borrowings are repaid. This is done based on the periodic market-to-market revaluation of the interest rate swaps whose fair value tends to reach zero upon maturity.

Fair value of derivative instruments with maturity

The table below presents the fair value of the derivative financial instruments and a maturity analysis of the derivatives' cash flows, which all were interest swaps. The Group did not have material foreign exchange derivatives as of 31 December 2022.

Amounts in NOK million	Instruments at fair value	Total cash flow	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
2022							
Total assets[1]	**1,938**	**1,938**	178	179	266	475	839
2021							
Total assets	**243**	**243**	(2)	(4)	16	64	169
Total liabilities	**153**	**153**	49	21	21	38	24

1) There were no liabilities as of 31 December 2022.

The Group's hedging reserve relate to interest swaps and changes are specified in the table below

Amounts in NOK million	**Interest rate swaps**
Balance as of 1 January 2021	
Change in fair value of hedging instrument recognized in OCI	(97)
Reclassified from OCI to profit and loss, included in finance costs	—
Balance as of 31 December 2021	**(97)**
Balance as of 1 January 2022	(97)
Change in fair value of hedging instrument recognized in OCI	1,772
Reclassified from OCI to profit and loss, included in finance costs	59
Tax	(517)
Balance as of 31 December 2022	**1,218**
Of which presented as hedge reserve	759
Of which presented as non-controlling interest	459

There were no reclassifications from the cash flow hedge reserve to profit or loss during the period as a result of inefficiencies.

29 Changes in group structure

Aker Horizons' portfolio underwent a series of transformative transactions in 2022 described below:

Merge with Aker Clean Hydrogen

In June 2022, Aker Horizons completed a triangular merger with its subsidiary Aker Clean Hydrogen whereby the subsidiary was delisted from EuroNext, establishing an in-house hybrid asset origination and development muscle, in the form of Aker Horizons Asset Development. The 22.8 percent non-controlling interest amounted to NOK 594 million at the time of the merger, which was transferred to equity of the equity attributable to parent company.

Combining Aker Offshore Wind and Mainstream Renewable Power

In April 2022, Mitsui & Co., Ltd invested EUR 575 million in Mainstream, joining Aker Horizons as a long-term strategic partner in the company.

In June 2022, Aker Horizons completed a triangular merger with its subsidiary Offshore Wind whereby the subsidiary was delisted from EuroNext. Subsquently, The 49,0 percent non-controlling interest amounted to NOK 181 million at the time of the merger, which was transferred to equity of the equity attributable to parent company.

Subsequently, Aker Offshore Wind and Mainstream Renewable Power were combined, leveraging complementary footprint and capabilities, increased scale and improved access to financing.

Investments in Narvik

On 30 September 2022, Aker Horizons acquired five sites in the Narvik region in the north of Norway. The acquisition of the five sites are one of the key steps in the plan to develop green value chains for power-intensive industries, such as production of hydrogen and hydrogen derivative assets, in the Narvik region. The sites were acquired from Nordkraft AS, a municipality owned, local power producer in the Narvik region. As part of the agreement, Nordkraft has committed to participate in the development of the sites, both through an active ownership, holding a 20 percent minority in the projects, and through earn-out agreements linked to successful development of the sites.

NOK 10 million was paid in cash for acquisition of the shares in Aker Narvik AS. In addition, a deferred consideration related to earn-out agreement is recognized as other non-current liabilities in the balance sheet, refer to note 22 Provisions and non-current liabilities. The acquisition was structured as an acquisition of assets, as opposed to a business combination in scope of IFRS 3.

Acquisition of 50 percent shareholding in Redwood

The Redwood project was established in 2018 as a consortium with Ocean Winds and Aker Offshore Wind, and the consortium was selected in a competitive process to enter into a public private partnership to pursue the development of an offshore wind energy project off the Northern California coast. In December 2020, Redwood Coast Offshore Wind LLC ("Redwood") was established.

In July 2022, Aker Offshore Wind acquired Ocean Wind's 50 percent shareholding, and consideration paid was NOK 51 million, net of cash acquired. The acquisition was identified as an acquisition of assets, as opposed to a business combination in scope of IFRS 3. A goodwill of NOK 114 million and a gain in Other income of NOK 54 million related to derecognition of existing shareholding of 50 percent was recognized related to the transaction. In December 2022, Redwood was unsuccessful in the California auction and the goodwill was impaired.

Sale of shares in Rainpower

Aker Horizons sold its shareholding in Rainpower in May 2022, see more information in note 30 Discontinued operations.

Business combinations

Aker Horizons did not enter into any new business combinations in 2022. In 2021, Aker Horizons completed three business combinations. Reference is made to note 27 Business combinations in the 2021 Annual Report for information about these business combinations:

- Mainstream Renewable Power Ltd (see also information below)
- Development and Technology JSC (D&T) (see also information below)
- Rainpower Holding AS

Mainstream Renewable Power Ltd (Mainstream)

On 11 May 2021, Aker Horizons acquired 75 percent of the shares in Mainstream, a leading independent renewable energy player with a global footprint, The cash consideration for the 75 percent stake in Mainstream was EUR 640 million. In addition, EUR 109 million was transferred to Mainstream as a capital increase in the company, though this did not form part of the consideration transferred.

Contractual assets was identified as the main intangible assets assumed in the business combination and relate to portfolios of contracts necessary to operate the projects which have reached Financial Investment Decision (FID) in the Mainstream portfolio (Andes Renovables portfolio). In addition, goodwill was recognized both attributable to the Andes Renovables portfolio (technical goodwill) and to Mainstream's development pipeline combined with its global organization. See note 11 Intangible assets and goodwill and note 12 Impairment for more information.

Development and Technology JSC (D&T)

On 23 July 2021, Mainstream acquired 80 percent of the shares in D&T. D&T's business consist of development activities for the solar PV portfolios in Daknong province ("Projects"), including three solar PV Projects in Daknong Province, Vietnam.

The cash consideration for the 80 percent stake in D&T was USD 5 million. In addition to the consideration payable on closing, the share purchase agreement contained a contingent consideration payable to selling shareholders.The earn-out payment was initially calculated on the basis of MWs awarded as an amount per MW and capped at USD 23 million. The estimated earn-out liability was USD 16.8 million as of 31 December 2021, but has been reduced by USD 8.3 million in 2022 due to recent development in renewable energy market in Vietnam. The amount has been recognized in Other income.

30 Discontinued operations

On 10 May 2022, Aker Horizons sold its subsidiary Rainpower to Aker Solutions Holding ASA. The agreed consideration consists of two elements: a fixed element of NOK 100 million and a discretionary element of up to NOK 50 million. The fixed element was agreed to be settled by transfer of NOK 5,681,818 shares in Aker Carbon Capture ASA.

Rainpower has been a separate operating and reporting segment prior to the disposal and represented a major line of business in Aker Horizons. Accordingly, Rainpower is presented as discontinued operations in the income statement following the disposal. The comparative statement of profit and loss has been restated to show the discontinued operations separately from continued operations.

Aker Horizons has recognized a gain of total of NOK 73 million related to transaction. The gain is included in Profit (loss) from discontinued operations. The Group reported a negative adjustment of NOK 100 million in equity attributable to parent, as the consideration received was an increase in shareholding in the subsidiary Aker Carbon Capture (acquisition of subsidiary without change in control).

The net profit and cash flows from Rainpower, presented as discontinued operations are as follows:

Results from discontinued operations

Amounts in NOK million	**2022**	**2021**
Revenue	113	257
Operating expenses	(150)	(351)
Financial items	(4)	(7)
Profit (loss) before tax	**(41)**	**(101)**
Tax expense	—	(1)
Profit (loss) for the period	**(41)**	**(102)**
Gain (loss) on sale of subsidiary	**73**	–
Net profit (loss) for the period	**32**	**(103)**
Earnings (loss) per share discontinued operations attributable to ordinary equity holders of the company	0.05	(0.19)

Cash flow from discontinued operations

Amounts in NOK million	**2022**	**2021**
Net cash flow from operating activities	(27)	(170)
Net cash flow from investing activities[1]	(1)	2
Net cash flow from financing activities[2]	11	34
Net cash flow discontinued operations	**(18)**	**(134)**

1) Amount includes cash position at disposal (2022) and acquisition (2021)

2) Amount does not reflect internal funding of the company

Effect of disposal on the financial position of the Group

Amounts in NOK million	**At disposal**
Intangible assets	188
Right-of-use assets	63
Property, plant and equipment	4
Current operating assets	129
Cash and cash equivalents	11
Interest-bearing liabilities	(100)
Lease liabilities	(65)
Deferred tax liabilities	(10)
Other liabilities	(178)
Equity	**41**

31 Subsidiaries

Accounting principles

The consolidated statements include all entities controlled by Aker Horizons ASA. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

Judgments and estimates

Judgment is applied when considering whether Aker Horizons' ownership in other companies is sufficient to give it control according to IFRS 10. The primary consideration is whether Aker Horizons is able to control the outcome of voting at the companies' general meetings.

Aker Horizons ownership in Aker Carbon Capture is 43.3 percent (increased from 42.3 percent in 2021). After careful consideration, Aker Horizons has concluded that control exists. The main reason is based on the ownership interests of Aker Horizons relative to the remaining shareholders. In total, investors representing over 75 percent of outstanding shares would need to vote together, against Aker Horizons, in the general assembly. The shareholders in Aker Carbon Capture are constituted by a diversified group of investors, where investors with an ownership interest in excess of 1 percent (excluding Aker Horizons) controls 25 percent, and the total amount of investors with an ownership interest below 1 percent are approximately 24 thousand. Based on an overall assessment, the conclusion is that Aker Horizons has control of Aker Carbon Capture.

Subsidiaries

The Group's consolidated financial statements include the financial statements of Aker Horizons ASA and all of its subsidiaries, the principal of which are listed below. If not stated otherwise, ownership equals the percentage of voting shares.

		Ownership	
Company	**City/Country**	**2022**	**2021**
Principal subsidiaries Aker Carbon Capture			
Aker Carbon Capture ASA	Bærum, Norway	43.3 %	42.3 %
Aker Carbon Capture Norway AS	Bærum, Norway	43.3 %	42.3 %
Principal subsidiaries Mainstream			
Andes Mainstream SpA	Santiago, Chile	58.4 %	75.0 %
AR Alena SpA	Santiago, Chile	58.4 %	75.0 %
AR Alto Loa SpA	Santiago, Chile	58.4 %	75.0 %
AR Cerro Tigre SpA	Santiago, Chile	58.4 %	75.0 %
AR Escondido SpA	Santiago, Chile	58.4 %	75.0 %
AR Llanos del Viento	Santiago, Chile	58.4 %	75.0 %
AR Pampa SpA	Santiago, Chile	58.4 %	75.0 %
AR Puelche Sur SpA	Santiago, Chile	58.4 %	75.0 %
AR Tchamma SpA	Santiago, Chile	58.4 %	75.0 %
AR Valle Escondido	Santiago, Chile	58.4 %	75.0 %
Condor Energía SpA	Santiago, Chile	58.4 %	75.0 %
Condor Inversiones Spa	Santiago, Chile	58.4 %	75.0 %
Copihue Energía SpA	Santiago, Chile	58.4 %	75.0 %
Huemul Energía SpA	Santiago, Chile	58.4 %	75.0 %
Huemul Inversiones SpA	Santiago, Chile	58.4 %	75.0 %
International Mainstream Renewable Power Ltd	Dublin, Ireland	58.4 %	75.0 %
Mainstream Renewable Power Group Finance Ltd	Dublin, Ireland	58.4 %	75.0 %
Mainstream Renewable Power Group Treasury Ltd	Dublin, Ireland	58.4 %	75.0 %
Mainstream Renewable Power Mezzanine Finance DAC	Dublin, Ireland	58.4 %	75.0 %
Mainstream Renewable Power Offshore Holdings Ltd	Dublin, Ireland	58.4 %	75.0 %
Activity Company	Dublin, Ireland	58.4 %	75.0 %
Luxembourg Mainstream Renewable Power S.à r.l	Luxembourg	58.4 %	75.0 %
Aker Mainstream Renewables AS	Bærum, Norway	58.4 %	75.0 %
Aker Offshore Wind AS[1]	Bærum, Norway	58.4 %	51.0 %
Aker Offshore Wind Operating Company AS	Bærum, Norway	58.4 %	51.0 %
MRP Asia Holdings Pte Ltd	Singapore	58.4 %	75.0 %
MRP Dak Nong Holdings 2 PTE LTD	Singapore	58.4 %	75.0 %
Mainstream Asset Management South Africa (Pty) Ltd	Capetown; South Africa	58.4 %	75.0 %
Denef Investments S.L.	Madrid, Spain	58.4 %	75.0 %
Development and Technology JSC	Hanoi City, Vietnam	46.7 %	60.0 %
Principal other holdings			
Aker Horizons Asset Development Holding AS[2]	Bærum, Norway	100.0 %	77.2 %
Aker Horizons Asset Development AS[3]	Bærum, Norway	100.0 %	77.2 %
Aker Narvik Holding AS[4]	Bærum, Norway	100.0 %	100.0 %
Aker Narvik AS[5]	Narvik, Norway	80.0 %	— %
Powered Land AS	Narvik, Norway	80.0 %	— %
Aker Horizons Holding AS	Bærum, Norway	99.8 %	99.8 %
Disposals[6]			
Rainpower Holding AS	Lillestrøm, Norway	— %	100.0 %
Rainpower Kristinehamn AB	Kristinehamn, Sweden	— %	100.0 %

1) Merged entity AH Tretten AS and Aker Offshore Wind AS, see note 29 Changes in group structure
2) Merged entity AH Seksten AS and Aker Clean Hydrogen AS, with subsequent name change. See note 29 Changes in group structure
3) Changed name from Aker Clean Hydrogen Operating Company AS
4) Changed name from Aker Narvik AS
5) Changed name from Aker Land AS
6) See note 30 Discontinued operations

32 Non-controlling interests

Accounting principles

Non-controlling interests (NCIs) are measured on initial recognition at their portion of fair values, and annual earnings are allocated to the NCI according to their ownership interest. In a business combination, 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.

The following table summarizes the information relating to each of the Group's subsidiaries that has material NCI, before any intra-group eliminations. The amounts disclosed in the table are before intra-group eliminations.

	Aker Carbon Capture[3]		Aker Offshore Wind		Aker Clean Hydrogen		Mainstream	
Amounts in NOK million	**2022**	**2021**	**2022[2]**	**2021**	**2022[2]**	**2021**	**2022[1]**	**2021[1]**
NCI Percentage	56.7 %	57.7 %	49,0%	49,0%	22,8%	22,8%	41.6 %	25.0 %
Income statement								
Revenue and other income	781	363	19	14	7	14	1,784	761
Profit	(203)	(192)	(194)	(344)	(163)	(160)	(5,632)	(685)
OCI	6	—	44	35	—	—	3,277	134
Total comprehensive income	(198)	(192)	(150)	(309)	(163)	(160)	(2,354)	(551)
Profit allocated to NCI	(116)	(100)	(95)	(169)	(37)	(36)	(2,328)	(171)
OCI allocated to NCI	3	—	21	17	—	—	1,266	33
Balance sheet								
Non-current assets	128	33		292		87	22,852	20,044
Current assets	1,168	1,577		316		2,741	8,047	6,079
Non-current liabilities	(3)	(9)		(7)		(4)	(14,432)	(13,087)
Current liabilities	(415)	(525)		(81)		(50)	(2,329)	(2,495)
Net assets	879	1,076		520		2,774	14,139	10,541
Net assets attributable to NCI	499	621		255		632	5,895	2,673
Cash flow								
Cash flows from operating activities	(118)	57		(261)		(138)	(2,887)	(892)
Cash flows from investment activities	(105)	(13)		(29)		(791)	(1,929)	(10,333)
Cash flows from financing activities	(9)	820		(6)		2,932	6,181	12,655
Net increase (decrease) in cash and cash equivalents	(232)	864		(296)		2,003	1,365	1,430

1) 2021 reflects income statement after acquisition of the company in Mai 2021. 2022 Includes Aker Offshore Wind from 1 August 2022. See note 29 Changes in group structure for further description.
2) On 17 June 2022, Aker Horizons completed mergers with its subsidiaries Aker Clean Hydrogen and Aker Offshore Wind following the delisting of the companies, see note 29 Changes in group structure.
3) See note 31 Subsidiaries for assessment related to control assessment of Aker Carbon Capture.

33 Capital commitments, guarantees and contingencies

The Group is party to off-balance sheet arrangements that are reasonably likely to have current or future material effect on the Group's financial position, operating results, liquidity, capital expenditure or capital resources.

The following items are not recognized in the Group's balance sheet:

Mainstream

In the ordinary course of business for a renewable energy developer, it is customary to provide certain guarantees and commitments. Land bonds, grid bonds, bid bonds and performance bonds are all customary bonds that must be put in place, but that are not expected to be drawn on. See below for an overview of significant guarantees and commitments for Mainstream:

Guarantees

The Group has provided the following guarantees at 31 December 2022:

- Land ministry bonds to the total value of EUR 17.6 million, guaranteeing the performance of land agreements for twelve Chilean projects in the Andes Renovables platform
- Grid agreement bonds for Alena Chilean project to the total value of EUR 5.1 million guaranteeing the contract performance for sixteen Chilean projects
- Bid and performance bonds for five Chilean projects to the total value of EUR 19.6 million guaranteeing performance of power purchase agreements entered into
- Other performance guarantees, all issued in the normal course of business for a total of EUR 1.4 million
- Cash backed guarantees are disclosed as part of restricted cash in Note 17 Cash

Other facilities

Mainstream has a trade finance facility (TFF) in place which is used to provide letters of credit and performance bonds to support construction equity commitments for projects during construction. The TFF lender group comprises DNB Bank, ABN, AMRO and a panel of international sureties. The TFF is used for the Andes Renovables portfolio of projects and guarantees Mainstream's equity portion of the projects. This TFF facility is a guarantee facility that will be utilized at the beginning of a project instead of equity and that will be replaced with Mainstream's equity towards the end of the construction phase. Construction equity guarantees for EUR 150 million from the facility were in place at 31 December 2022. The facility is a non-cash Senior Facility Agreement.

The Group has a bonding facility in place with Swiss Re, which is used to provide demand payment and performance bonds to support group obligations globally. Guarantees to support Mainstream's Condor, Huemul and Cophiue portfolios role as generators under Chile energy market regulations for CLP 35,000 million from the facility were in place at 31 December 2022. These guarantees were partially supported with a 100 percent cash backed letter of credit for USD 15 million to Swiss Re.

Legal claims

There are a small number of legal claims and exposures arising from the ordinary course of business which may result in future settlements. These are all at a preliminary stage and settlement will only be confirmed by future events. The Group has not provided for such amounts in the financial statements and individual claims are not expected to materially affect the financial statements.

Aker Carbon Capture

Aker Carbon Capture Norway AS has entered into a NOK 500 million Advance Payment Guarantee facility. According to the advanced payment facility, Aker Carbon Capture has an obligation to ensure that it has total cash and cash equivalents at least equal to 20 percent of any outstanding guarantees under the guarantee facility, and, in any event, not less than NOK 100 million.

Capital commitments

The Group has the following commitments in place at 31 December 2022:

Amounts in NOK million	**2022**	**Year(s) of payment**
Andes Renovables portfolio in Chile:		
Plant, transformer and grid connection agreements, Huemul	397	2023-2024
Plant, transformer and grid connection agreements, Copihue	1,235	2023-2024
Land rental agreements	629	2023-2050
Total Mainstream	**2,262**	
Kvandal project (Narvik), primarily civil- and electrical works	270	2023
Total	**2,532**	

In addition to the commitments listed in the table above, Aker Horizons Asset Development has entered into a power purchase agreement for the Rjukan project with a local energy group. The power purchase agreement will secure the Rjukan project with a 234 GW/h yearly base load of power until 2031, with the first option for renewal at 1 January 2032 and a second option for renewal at 1 January 2038.

34 Related party transactions

Accounting principles

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the company that would not be undertaken between unrelated parties.

Aker Horizons ASA is the parent company, with control of the subsidiaries listed in Note 31 Subsidiaries. Any transactions between the parent company and the subsidiary are shown in the separate financial statements of the parent company, and are eliminated in the consolidated financial statements.

Related parties to Aker Horizons

Aker entities

The largest shareholder of Aker Horizons ASA is Aker ASA, through its subsidiary Aker Capital AS, which in turn is controlled by Kjell Inge Røkke through TRG Holding AS and The Resource Group TRG AS. The Resource Group TRG AS is the ultimate parent company of Aker Horizons ASA. In this respect, all entities controlled by Aker ASA and entities which Kjell Inge Røkke and his close family controls through The Resource Group TRG AS are considered related parties to Aker Horizons ASA and referred to as "Aker entities" in this note.

Related parties to Aker

"Related parties to Aker" are other entities not controlled by Kjell Inge Røkke through Aker ASA, TRG Holding AS or The Resource Group TRG AS, but where Aker entities have significant influence over the reporting entities. This includes the associates Aker Solutions and Aker BP.

Associated companies and joint ventures

Aker Horizons also have a number of associated companies and joint ventures which are related parties to the Group.

Directors and executive officers

The key management personnel of Aker Horizons include the Board of Directors and the executive management team.

Summary of transactions and balances with significant related parties

Amounts in NOK million	Note	**Aker entities**	**Related parties to Aker**	**Associates**	**Joint ventures**
2022					
Income statement					
Revenues		—	32	10	9
Operating expenses		(87)	(330)	—	—
Interest income		—	—	3	—
Interest expense		(142)	(2)	—	—
Balance sheet					
Trade and other receivables		—	1	257	174
Borrowings	20	(2,260)	(100)	—	—
Lease liabilities	21	—	(30)	—	—
Trade and other payables		(8)		—	(4)

Amounts in NOK million	Note	**Aker entities**	**Related parties to Aker**	**Associates**	**Joint ventures**
2021					
Income statement					
Revenues		—	4	5	22
Operating expenses		(40)	(302)	—	(1)
Interest income		—	—	496	—
Interest expense		(126)	—	—	—
Balance sheet					
Trade and other receivables		3	3	4	158
Borrowings	20	(2,116)	—	—	—
Lease liabilities	21	—	(54)	—	—
Trade and other payables		(27)	(6)	—	—

Aker Horizons has transactions with related parties on a recurring basis as part of normal business. Certain material related party transactions are set out in this note in more detail.

Related party transactions with Aker entities

Aker Capital AS

Aker Horizons has an unsecured shareholder loan from Aker Capital AS in the amount of NOK 2,000 million. The shareholder loan has a tenor of 5 years without scheduled amortization, and carries a 6 percent p.a. fixed interest. Under the shareholder loan, the Company may elect to defer any interest payment (in whole or in part). In that case, all deferred interest shall accumulate and remain outstanding until paid in full, at the latest on the maturity date. If any interest is deferred, the interest rate for the principal amount will increase to 7 percent p.a. for as long as any deferred interest is outstanding. Deferred interest will not accumulate any interest, and the Company may elect when the deferred interest is paid (up until the maturity date). The Company shall, however, pay any deferred interest prior to paying any dividend.

The shareholder loan is a subordinated loan, ranking pari passu with other subordinated debt of the Company but is subordinated to senior debt of the borrower in the event of a default under any of the Company's financial arrangements. The book value of the loan as of 31 December 2022 was NOK 2,260 million, including accrued interest costs and net of transaction costs (2021: NOK 2,116 million).

Aker ASA

The Group has entered into an IT service agreement with Aker ASA for the delivery of IT services to the Group.

Cognite AS and Aize AS

The Group has entered into a multi-year cooperation with Cognite AS and Aize AS as part of the agenda to invest in products, services and R&D with the intent of developing software and associated processes to enable new ways of working along the entire value chain.

Related parties to Aker

Aker Solutions

- **Global frame agreement:** The Group signed in 2020 a global frame agreement with Aker Solutions for provision of fabrication and technical services and personnel hire, with a five year term, with option to renew for 3+3 years.
- **Brevik CCS Project:** In December 2020, Aker Carbon Capture awarded Aker Solutions a contract for engineering, procurement and management assistance services to realize the carbon capture plant at the Brevik cement factory in southern Norway.
- **Office Lease Agreement:** The Group has entered into a lease agreement with Aker Solutions AS for office premises at Fornebu, Bærum. The contract expires in February 2024.
- **Sale of Rainpower** to Aker Solutions, see note 30 Discontinued operations for more information

Aker BP

The Group has entered into a Cooperation Frame Agreement with Aker BP ASA in relation to the decarbonization of oil and gas production assets with renewable power from offshore wind.

Associates and joint ventures

The Group provides services on demand to a majority of associates and joint ventures.

Mainstream has outstanding receivables from associates and joint ventures totaling NOK 431 million, including:

- Outstanding balance on Cornerstone Energy Development Incorporated at year end was EUR 3.7 million (2021: EUR 2.6 million). The receivable is unsecured and carries interest at 8 percent
- Outstanding balance on Mainstream Phu Cuong Company Limited at year end was EUR 11.4 million (2021: EUR 9.7 million). The receivable is unsecured and carries interest at 2 percent
- Outstanding balance on Arven Offshore Wind Farm Hold Co Limited, a joint venture with Ocean Winds, is GBP 20.4 million (2021: nil). The receivable is unsecured and interest is SONIA + 3.6 percent margin.

Compensation to Executive Management and Board of Directors

Refer to further description about management compensation in the Management remuneration Report available at Aker Horizons' website.

Amounts in NOK thousand	2022	2021
Salaries and wages including holiday allowance	16,868	32,035
Social security contributions	2,732	4,759
Pension cost	382	376
Other employee benefits	59	82
Total	20,041	37,252

35 Subsequent events

Project financing - Mainstream

Subsequent to the year end certain technical Events of Default in the Andes Renovables portfolio have occurred relating to operational matters in the loan facilities customary for project finance facilities of this nature. The Events of Default arise from conditions relating to the defined Portfolio Completion Date "PCD" of the Condor portfolio, and other technical matters relating to underlying construction contracts. All four projects have now achieved Commercial Operations referred to as "COD" and are operating fully with requirements relating to certain administrative documents specified under the loan documents with any material matters expected to be satisfied in the near term. There are also other defaults relating to certain covenants and documentation to be provided to the lenders.

Mainstream is in active dialogue with the banks relating to obtaining the necessary waivers and approvals required to resolve the defaults. This dialogue is taking place at a time where there are significant challenges in the Chilean energy market at present, as exemplified by two other companies having notified Chile's national electricity operator that they can no longer fulfil their PPA contracts. Mainstream is actively pursuing further mitigation in relation to these, including addressing the market inefficiencies with the regulator and Government through industry associations and consulting with financial advisors on long term capital structure and strategic and financial options.

An Event of Default occurring on the Condor, Huemul or Copihue facility causes a technical cross default on the Ares mezzanine facility and if unresolved for a period of time, the Trade Finance Facility. The cross defaults on the facilities are automatically resolved once the respective portfolio is out of default. See more information about these facilities in Note 33 Capital commitments, guarantees and contingencies.

Sale of Lekela

In March 2023, Mainstream and Actis completed the sale of Lekela Power. The transaction will generate net proceeds to Mainstream of approximately USD 90 million, subject to certain closing adjustments, with the transaction valued at an enterprise value of approximately USD 1.5 billion.

Aker Horizons ASA

Parent company accounts

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Balance sheet
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Income statement

Statement for the year ended 31 December

Amounts in NOK million	Note	**2022**	**2021**
Salary and other personnel costs		(3)	(2)
Other operating expenses	4	(20)	(30)
Operating profit (loss)		**(22)**	**(32)**
Financial income		31	415
Financial expenses		(434)	(406)
Foreign exchange gain (loss)		6	(154)
Net financial items	4	**(397)**	**(145)**
Profit (loss) before tax		**(420)**	**(177)**
Tax benefit (expense)	5	—	—
Net profit (loss) for the period		**(420)**	**(177)**
Net profit (loss) for the period distributed as follows:			
Retained earnings	8	(420)	(177)
Net profit (loss) for the period		**(420)**	**(177)**

Balance sheet

Statement for the year ended 31 December

Amounts in NOK million	Note	2022	2021
Assets			
Non-current assets			
Investments in subsidiaries	6	21,441	20,118
Interest-bearing receivables	11	26	26
Total non-current assets		**21,467**	**20,145**
Current assets			
Receivables on group companies	8, 11	310	441
Trade and other receivables		9	2
Cash and cash equivalents	7	368	422
Total current assets		**687**	**865**
Total assets		**22,154**	**21,010**

Amounts in NOK million	Note	2022	2021
Equity and liabilities			
Equity			
Share capital		690	610
Other paid-in capital		14,980	13,755
Other equity and retained earnings		(249)	170
Total equity	8	**15,421**	**14,535**
Non-current liabilities			
Non current borrowings	9	6,023	5,781
Total non-current liabilities		**6,023**	**5,781**
Current liabilities			
Current borrowings		27	22
Current borrowings from group companies	8, 11	676	656
Derivative financial instruments		—	2
Trade and other payables		8	14
Total current liabilities		**710**	**694**
Total equity and liabilities		**22,154**	**21,010**

Fornebu, 17 March 2023
Board of Directors and CEO of Aker Horizons ASA

Øyvind Eriksen
Chair (non-independent)

Kjell Inge Røkke
Director (non-independent)

Lone Fønss Schrøder
Director (independent)

Lise Kingo
Director (independent)

Auke Lont
Director (independent)

Kristian Røkke
CEO

Cash flow statement

Statement for the year ended 31 December

Amounts in NOK million	Note	2022	2021
Profit (loss) before tax		(420)	(177)
Adjustment for:			
Income from investment in subsidiaries		(10)	(408)
Accrued interest and foreign exchange		407	521
Changes in net current operating assets		(4)	5
Cash flows from operating activities		(27)	(59)
Interest received		3	3
Interest paid		(171)	(109)
Net cash flow from operating activities		**(195)**	**(165)**
Payments interest-bearing receivables on group companies		(116)	(100)
Proceeds interest-bearing receivables on group companies		116	—
Investment in subsidiaries		400	(9,093)
Proceeds from sale of shares		—	17
Net cash flow from investing activities		**400**	**(9,176)**
Proceeds from borrowings		—	4,560
Repayment of borrowings		—	(560)
Transaction costs, new borrowings		—	(115)
Change in overdraft cash pool	7	(238)	615
Share issue		—	5,573
Transaction costs, share issue		(27)	(159)
Net cash flow from financing activities		**(265)**	**9,913**
Net cash flow in the period		**(59)**	**572**
Effect of exchange rate changes on cash and cash deposits		5	(150)
Cash and cash equivalent at the beginning of the period		422	—
Cash and cash equivalent at the end of the period		**368**	**422**

1 Company information

Aker Horizons ASA is the parent company and owner of Aker Horizons Holding AS and is domiciled in Norway. On 1 February 2021, the Company was made available for trading on Euronext Growth (Oslo) under the ticker AKH-ME, on 21 May 2021 the Company moved from Euronext Growth (Oslo) to Oslo Stock Exchange (Oslo Børs). The Company now trades under the ticker AKH.

Significant transactions

Delisting of Aker Offshore Wind and Aker Clean Hydrogen

On 17 June 2022, Aker Horizons completed triangular mergers with its subsidiaries Aker Offshore Wind and Aker Clean Hydrogen following the delisting of the mentioned companies. The mergers will strengthen Aker Horizons' capacity to accelerate the energy transition and maximize impact and value creation. See note 8 Shareholders' equity for more information.

2 Basis of preparation

The financial statements are presented in conformity with Norwegian Accounting Act and Norwegian generally accepted accounting principles (NGAAP). Accounting principles for notes to these financial statements are included in the relevant notes. For other accounting principles, see below.

Functional currency and presentation currency

The parent company's financial statements are presented in NOK, which is Aker Horizons ASA's functional currency. All financial information presented in NOK has been rounded to the nearest thousand (NOK thousand), except when otherwise stated. The subtotals and totals in some of the tables in these financial statements may not equal the sum of the amounts shown due to rounding.

Foreign currency

Transactions in foreign currencies are translated at the exchange rate applicable at the date of the transaction. Monetary items in a foreign currency are translated to NOK using the exchange rate applicable on the balance sheet date. Foreign exchange differences arising on translation are recognized in the income statement as they occur.

Classification

Current assets and current liabilities include items due within one year or items that are part of the operating cycle. Other balance sheet items are classified as non-current assets/debts.

Measurement of receivables

Financial assets and liabilities consist of investments in other companies, trade and other receivables, cash and cash equivalents and trade and other payables. Trade receivables and other receivables are recognized in the balance sheet at nominal value less provision for expected losses.

Cash flow statement

The statement of cash flow is prepared according to the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term liquid investments.

3 Operating expenses

Aker Horizons ASA has no employees and hence no salary or pension related costs. Group management and staff are employed by the subsidiary Aker Horizons Holding AS. NOK 2.7 million has been allocated to payable fees to the Board of Directors for 2022 (2021: NOK 1.6 million, reflecting 8 months). More information about remuneration to and shareholding of CEO, CFO and Board of Directors Refer in the Management remuneration Report available at Aker Horizons' website.

Other operating expenses relates mainly to costs related to fees related to restructuring transactions, listing and audit.

See Note 6 Other operating expenses in the consolidated financial statements for information about fees to auditors.

4 Financial items

Accounting principles

Interest income and expenses include effects from using the effective interest rate method where fees, interest paid, transaction costs and other premiums are deferred and amortized over the life of the instrument.

Foreign exchange gains and losses arise upon settlement of monetary assets and liabilities that are not hedged. Translation of assets and liabilities related to general financing of the entity are included in financial items. Foreign exchange gains and losses also includes effects from translating monetary assets and liabilities denominated in foreign currencies at the balance sheet date. The profit or loss on foreign exchange forward contracts include effects from derivatives that do not qualify for hedge accounting, embedded derivatives and the ineffective portion of qualifying hedges.

Amounts in NOK million	2022	2021
Interest income from group companies	7	3
Income expense, external	12	3
Income from subsidiaries	10	400
Gain on sale of shares	—	8
Other financial income	2	1
Financial income	**31**	**415**
Interest expense to related parties	(142)	(124)
Interest expense, group companies	(15)	—
Interest expense, external	(278)	(254)
Other financial expenses	—	(28)
Financial expenses	**(435)**	**(406)**
Foreign exchange gain (loss)	**6**	**(154)**

5 Tax

Accounting principles

Tax expenses in the income statement comprise current tax and changes in deferred tax. Deferred tax is calculated as 22 percent of temporary differences between accounting and tax values as well as any tax losses carried forward at the year-end. Deferred tax assets are recognized only to the extent it is probable that they will be utilized against future taxable profits.

Calculation of taxable profit (loss)

Amounts in NOK million	2022	2021
Profit (loss) before tax	(420)	(177)
Adjustments:		
Group contribution without tax effect	(10)	(400)
Change in temporary differences	41	74
Permanent differences[1]	(17)	(177)
Taxable income (loss)	**(405)**	**(680)**

1) Permanent differences consist of transaction costs related to equity issues.

Overview of temporary differences

Amounts in NOK million	2022	2021
Convertible bond	(232)	(274)
Other	—	1
Total temporary differences	(232)	(273)
Tax loss carry forwards	1,086	680
Total temporary differences	**854**	**407**

Aker Horizons ASA has not recognized deferred tax assets related to tax loss carry forwards as the Group is newly founded and has no history of taxable profits.

Reconciliation of effective tax rate

Amounts in NOK million	2022	2021
Profit (loss) before tax	(420)	(177)
Income tax 22 percent	92	39
Adjustments:		
Tax-exempted income	2	88
Tax on permanent differences	4	(37)
Temporary differences for which no deferred income tax assets was recognized	(98)	(90)
Tax benefit (expense)	—	—

6 Investment in group companies

Accounting principles

Investments in subsidiaries are measured at cost. The investments are written down to fair value when the impairment is not considered to be temporary. Impairment losses are reversed if the basis for the impairment is no longer present.

Dividends and other distributions from subsidiaries are recognized in the same year as they are recognized in the financial statement of the provider. If the distributed dividend in the subsidiary exceeds accumulated profits in the ownership period, the payment is treated as a reduction in the carrying value of the investment.

Amounts in NOK million	Reg. office	Share capital	Number of shares held	Ownership	Book value
Aker Horizons Holding AS	Fornebu, Norway	754.3	752.9	99,8%	21,441

Aker Horizons Holding AS financial information (unaudited)

Profit (loss) for the year 2022	(104)
Equity as of 31 December 2022	18,158

7 Cash pool

Aker Horizons ASA is the owner of the cash pool system arrangements with DNB. The cash pool systems cover holding companies within the Group and assure good control and access to the Group's cash. Participation in the cash pool is vested in the Group's policy and decided by each company's board of directors and confirmed by a statement of participation. The participants in the cash pool system are jointly and severally liable, and it is therefore important that Aker Horizons as a group is financially viable and can repay deposits and carry out transactions. Any debit balance on a sub account can be set-off against any credit balance. Hence, a debit balance represents a claim on Aker Horizons ASA and a credit balance a borrowing from Aker Horizons ASA.

The cash pool system had a net cash of NOK 368 million as of 31 December 2022 (2021: NOK 422 million).

Amounts in NOK million	2022	2021
Group companies deposits in the cash pool system	676	656
Group companies borrowing in the cash pool system	(300)	(41)
Aker Horizons ASA's net borrowings in the cash pool system	(8)	(192)
Cash in cash pool system	**368**	**422**

8 Shareholders' equity

The share capital of Aker Horizons ASA is divided into 690,348,751 shares as of 31 December 2022 (609,736,165 as of 31 December 2021) with a nominal value of NOK 1. All issued shares are fully paid. The shares can be freely traded.

Note 12 Shareholders provides an overview of the Company's largest shareholders.

Amounts in NOK million	Share capital	Other paid-in capital	Other equity	Retained equity	Total equity
Equity as of 1 January 2022	610	13,755	348	(177)	14,535
Share issue	81	1,242	—	—	1,322
Transaction costs, share issue	—	(17)	—	—	(17)
Profit (loss) for the period	—	—	—	(420)	(420)
Equity as of 31 December 2022	**690**	**14,980**	**348**	**(597)**	**15,421**

Share issue in 2022

On 17 June 2022, Aker Horizons completed a triangular merger with its subsidiaries Aker Offshore Wind and Aker Clean Hydrogen following the delisting of the mentioned companies. The merger plan included an all-stock merger in which existing shareholders in Aker Offshore Wind received 0.1304 merger consideration shares in Aker Horizons, and existing shareholders in Aker Clean Hydrogen received 0.2381 merger consideration shares in Aker Horizons. The transactions resulted in issuance of 80,612,586 shares in total.

Other equity

Other equity comprises continuity differences from common control transactions and the equity component of compound instruments.

9 Borrowings

Accounting principles

Interest-bearing borrowings are recognized initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the income statement over the period of the borrowings on an effective interest basis.

Overview of borrowings

Amounts in NOK million	Note	Currency	Nominal currency value	Maturity	Carrying amount
2022					
Revolving Credit Facility		NOK	—	2024	(17)
Green bond		NOK	2,500	2025	2,501
Convertible loan		NOK	1,500	2026	1,307
Shareholder loan	11	NOK	2,000	2026	2,260
Total borrowings					**6,050**
- of which non-current					27
- of which current					6,023
2021					
Revolving Credit Facility		NOK	—	2024	(41)
Green bond		NOK	2,500	2025	2,487
Convertible loan		NOK	1,500	2026	1,241
Shareholder loan	11	NOK	2,000	2026	2,116
Total borrowings					**5,803**
- of which non-current					22
- of which current					5,781

Revolving Credit Facility (RCF)

The Company has a multi-currency revolving credit facility for EUR 500 million that can be drawn for general corporate purposes of the Group, including for the purpose of funding CapEx, acquisition costs and expenses. The loan carries an interest rate of 3M NIBOR + 2.5 percent margin p.a. The RCF includes customary financial covenants such as a maintenance-based loan to value (LTV) covenant of 50 percent. Loan in the LTV covenant includes senior loans in Aker Horizons ASA (not subordinated debt). The covenant also includes a minimum liquidity covenant, in the form of cash or undrawn facility, of NOK 200 million. As of 31 December 2022, the facility was undrawn.

Green bond

In February 2021, the Company signed an unsecured green bond issue in an amount of NOK 2,500 million, with a tenor of 4 years, a bullet amortization and carry an interest rate of 3M NIBOR + 3.25 percent margin p.a. The terms of the green bond issue include customary financial covenants such as an incurrence-based loan to value covenant and a minimum liquidity covenant of NOK 200 million, in line with the RCF described above.

Convertible loan

In February 2021, the Company issued an unsecured convertible bond in the amount of NOK 1,500 million with a tenor of 5 years, bullet amortization and 1.5 percent p.a. payment in kind (PIK) interest. The bondholders may elect to convert the bonds to shares in the Company at any time during the term of the bond issue at a conversion price which is 25 percent above the offer price of NOK 35 per share in the private placement that took place in January 2021 in Aker Horizons ASA. The bonds issued under the convertible bond issue ranks pari passu with other subordinated debt of Aker Horizons but is subordinated to senior debt of the borrower in the event of a default under any of Aker Horizons financial arrangements.

On initial recognition, the fair value of the the debt component of the convertible bond was estimated to NOK 1,152 million and the residual of NOK 348 million was recognized as equity.

Shareholder loan

In January 2021, the Company entered into a subordinated loan agreement of NOK 2,000 million with Aker Capital AS (see Note 34 Related party transactions in the consolidated accounts for more information).

Overview of contractual maturities of financial liabilities

The overview includes estimated interest payments specified by category of liabilities.

Amounts in NOK million	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years
2022						
Revolving Credit Facility	(17)	**65**	21	22	23	—
Green bond	2,501	**2,959**	83	85	168	2,624
Convertible loan	1,307	**1,616**	—	—	—	1,616
Shareholder loan	2,260	**2,706**	—	—	—	2,706
Total	**6,050**	**7,347**	**104**	**106**	**191**	**6,946**
2021						
Revolving Credit Facility	(41)	**193**	25	26	51	91
Green bond	2,487	**2,884**	51	52	102	2,679
Convertible loan	1,241	**1,616**	—	—	—	1,616
Shareholder loan	2,116	**2,706**	—	—	—	2,706
Total	**5,803**	**7,399**	**76**	**77**	**153**	**7,093**

10 Financial risk management and financial instruments

Foreign exchange risk
Subsidiaries may enter into financial derivative agreements with the parent company to hedge their foreign exchange exposure. Accordingly, derivatives from external banks are used to mitigate the foreign exchange exposure from the financial derivative agreements with the subsidiaries. Aker Horizons ASA has no currency contracts with subsidiaries as of 31 December 2022.

In addition, Aker Horizons ASA may have cash flow exposure with respect to its financial assets and liabilities. Aker Horizons ASA may enter into financial derivative agreements to hedge these potential cash flow exposures.

Currency exposure from equity investments in foreign currencies is only hedged when specifically instructed by management.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of an asset or liability will fluctuate because of changes in market interest rates. Aker Horizons' interest rate exposure mainly arises from external funding in bank and debt capital markets.

The Group manages this risk by borrowing at a fixed rate of interest as deemed appropriate. Where Group borrowings are at a floating rate of interest, the Group will consider use of interest rate swaps to achieve the desired fixed/floating ratio of the external debt. External debt in Aker Horizons ASA as of 31 December 2022 has both floating and fixed interest rates. There are no interest swaps derivatives related to these loans.

Credit risk
Credit risk is the risk of financial losses to the Company if a customer or counterparty fails to meet contractual obligations. Credit risk relates to any loans to subsidiaries and associated companies, hedging contracts, guarantees to subsidiaries and associated companies and deposits with external banks. External deposits and hedging contracts are done according to a list of approved banks and primarily with banks where the Company also have a borrowing relationship.

Liquidity risk
Liquidity risk relates to the risk that the Company will not be able to meet its debt and guarantee obligations and is managed through maintaining sufficient cash and available credit facilities. Development in the Group's and thereby Aker Horizons ASA's available liquidity, is continuously monitored through weekly and monthly cash forecasts, annual budgets and long-term planning.

Liquidity reserve for Aker Horizons ASA and immediate holding companies as of 31 December 2022 was NOK 9.4 billion.

11 Related party transactions

Related party relationships are those involving control (either direct or indirect), joint control or significant influence. Related parties are in a position to enter into transactions with the Company that would not be undertaken between unrelated parties.

Transactions with related parties
Board of Directors and executive management
Information about remuneration to and shareholding of CEO, CFO and Board of Directors Refer in the Management remuneration Report available on Aker Horizons' website.

As part of the Management Incentive Program, the Company has provided loans for the purchase of shares in Aker Horizons Holding AS. The loans are payable in 2024 and their book value as of 31 December 2022 is NOK 26 million (2021: 26 million). Interest is calculated according to the normal interest rate for the taxation of low-cost loans from an employer set by Directorate of Taxes in Norway.

Receivables from group companies
The Company has provided short-term interest-bearing loans to Aker Offshore Wind AS during 2022, which were settled before 31 December 2022. Interest income of NOK 7.0 million on this receivables has been recognized in the period. As of 31 December 2022, the Company has a receivable on Aker Horizons Holding AS related to group contribution without tax effect, amounting to NOK 10 million (2021: NOK 400 million).See Note 7 Cash pool for information about cash pool system.

Loan from Aker Capital AS
The Company has a shareholder loan from Aker Capital AS. See further description in Note 9 Borrowings and also Note 34 Related party transactions in the consolidated financial statements of Aker Horizons Group.

12 Shareholders

Shareholders with more than 1 percent shareholding per 31 December are listed below.

	2022		2021	
Company	Number of shares held	Ownership	Number of shares held	Ownership
Aker Capital AS	464,285,714	67.3 %	464,285,714	76.2 %
Folketrygdfondet	20,440,806	3.0 %	13,194,647	2.2 %
The Bank of New York Mellon[1]	13,856,718	2.0 %	23,671,125	3.9 %
State Street Bank and Trust Company[1]	7,688,176	1.1 %	13,611,576	2.2 %

1) Nominee

Declaration by the Board of Directors and CEO

The Board and CEO have today considered and approved the annual report and financial statements for Aker Horizons Group and its parent company Aker Horizons ASA for the year ended 31 December 2022. The Board has based this declaration on reports and statements from the Group's CEO and/or on the results of the Group's activities, as well as other information that is essential to assess the Group's position which has been provided to the Board of Directors.

To the best of our knowledge:

- The financial statements for 2022 for Aker Horizons Group and its parent company have been prepared in accordance with all applicable accounting standards.
- The information provided in the financial statements gives a true and fair portrayal of the Group and its parent company's assets, liabilities, profit and overall financial position taken as a whole as of 31 December 2022.
- The Board of Directors' Report provides a true and fair overview of the development, profit and financial position of Aker Horizons Group and its parent company taken as a whole, as well as the most significant risks and uncertainties facing the Group and the parent company.

Fornebu, 17 March 2023

Board of Directors and CEO of Aker Horizons ASA

Øyvind Eriksen
Chair (non-independent)

Kjell Inge Røkke
Director (non-independent)

Lone Fønss Schrøder
Director (independent)

Lise Kingo
Director (independent)

Auke Lont
Director (independent)

Kristian Røkke
CEO

To the General Meeting of Aker Horizons ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aker Horizons ASA, which comprise:

- the financial statements of the parent company Aker Horizons ASA (the Company), which comprise the balance sheet as at 31 December 2022, 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 Horizons ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement, other comprehensive income (OCI), 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 comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, 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.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with 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 relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), 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.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of the Company for 1 year from the election by the general meeting of the shareholders on 22 April 2022 for the accounting year 2022.

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T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

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.

Key Audit Matters	How our audit addressed the Key Audit Matter
Valuation of goodwill, intangible assets and fixed assets related to Mainstream	
As at 31 December 2022 the carrying amount, after impairment, of goodwill, contractual assets and fixed assets related to the purchase of Mainstream in the Group's financial statements was 18 651 NOK million. Goodwill is tested for impairment at least annually. Other intangible assets (contractual assets) are tested for impairment when indicators of impairment exist. Impairment testing is performed at the level of cash generating units. Management identified indicators of impairment in their impairment trigger assessment. Based on the corresponding impairment assessment, a total net impairment charge of 3 617 NOK million (net after tax) was recognised in 2022. We focused on valuation of goodwill, intangible assets and fixed assets because the assets constitute a significant share of the Group's total assets, and because calculation of recoverable amounts require application of significant management judgment. Specifically, management judgment relates to determination of key assumptions such as the discount rate and future cash flows. See note 12 to the consolidated financial statements where management explains the impairment model, determination of cash generating units and key assumptions applied, including the results of management's impairment testing.	We assessed management's identification of impairment triggers and agreed that indicators were present. We obtained and gained an understanding of management's impairment assessment. Our procedures included an assessment of the valuation method and whether key assumptions used by management appeared reasonable based on our understanding of the business and industry of each relevant cash generating unit. We challenged management on key assumptions applied in the cash flow forecasts included in the impairment model. For each cash generating unit, including allocated technical goodwill, we tested key assumptions for the calculation of recoverable amount by: • Assessing consistency between projected income and costs against PPA prices and external market data for spot prices of energy, • assessing if the project cash flows were in line with the useful life of each project, • reconciling the applied cash flows towards budget approved by management, • assessing reasonableness of the budgets and plant capacity, • assessing the discount rate used by management by comparing its composition to empirical data for future interest rates, relevant risk premium and debt ratio. Key assumptions used were benchmarked against external data and our own internal data. We also tested mathematical accuracy of the impairment model. Management determined that ordinary goodwill on 31 December 2022 was not impaired. We obtained and considered management's estimation of fair value of the Group's total assets and liabilities

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supporting the carrying value of goodwill at 31 December 2022.

Based on our audit procedures we found that valuation methods used were reasonable and consistent with our understanding of the business and industry. Our testing of data against supporting documentation did not uncover material exceptions.

Lastly, we evaluated the information provided in note 12 to the consolidated financial statements and found that the disclosures described management's valuation of goodwill and intangible assets appropriately.

Revenue from construction contracts

In 2022, revenue from construction contracts constituted NOK 736 million, equal to approximately 31% of total operating revenues. Revenue from construction contracts is recognized over time based on expected final outcome, and stage of completion of the contract. Assessment of total contract cost, revenue and stage of completion is updated on a regular basis.

There are several reasons why we consider revenue from construction contracts a key audit matter. At present, there are two construction contracts, but they represent a large part of the Group's operations. The contracts have a long duration, and the assessment of contract costs and stage of completion is subject to Management judgment. Furthermore, the application of Management judgment impacts several areas of the financial statements, including revenue, contract assets and liabilities.

Notes 4 and the accounting principles include additional information on the Group's recognition of revenue from construction contracts.

We assessed the accounting treatment of both contracts against the Group's accounting principles and IFRS 15 Revenue from contracts with customers. We found that Management's accounting treatment was consistent with the content of the contracts, and the requirements in IFRS 15.

We obtained an understanding of Management's process and related internal control activities relevant to recognition of revenue from construction contracts. Specifically, Management has implemented internal controls (ICFR) to ensure that accounting for construction contracts reflect Management's best estimates with respect to total contract cost, revenue and stage of completion. Controls are implemented at various levels of the organization and include periodic meetings to review the contracts. Through meetings with Management and project controllers, and review of relevant documentation, we identified relevant controls ensuring that proper assessments are made to total contract cost, revenue and stage of completion, and tested them for operational effectiveness.

Estimating project costs and calculating stage of completion requires Management judgment. We performed various procedures on both contracts to assess whether Management's judgements were reasonable, including:

- Interviews with project controllers and Management, where we challenged judgements made with respect to project estimates,

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- Comparisons of expenses and hours incurred against budgeted expenses and hours,
- Tested a sample of expenses in project forecast against purchase orders with subcontractors,
- Tested contract revenue for validity by reconciling the customer contracts against the revenue in the project forecasts,
- Tested whether the estimated stage of completion corresponds to amounts recognized in the financial statements.

Through our procedures we found that assumptions used, and judgements made by Management are reasonable.

We further evaluated the disclosures in note 4 and found them to be appropriate and in accordance with relevant requirements.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Director's report applies correspondingly to the statements on Corporate Governance and Corporate Social Responsibility.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and true and fair view 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 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 ISAs, we exercise professional judgment and maintain professional scepticism 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 and 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's 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 a true and fair view.
- 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 Audit Committee 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

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Aker Horizons ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name "ah-2022-12-31-en", have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 17 March 2023

PricewaterhouseCoopers AS

Thomas Fraurud

State Authorised Public Accountant

Alternative Performance Measures

Aker Horizons discloses alternative performance measures in addition to those normally required by IFRS, as such performance measures are frequently used by securities analysts, investors and other interested parties. Alternative performance measures are meant to provide an enhanced insight into the Company's operations, financing and future prospects. These measures are calculated in a consistent and transparent manner and are intended to provide enhanced comparability of the performance from period to period.

Definitions

EBITDA - Earnings before interest, tax, depreciation and amortization, corresponding to "Operating profit before depreciation, amortization and impairment" in the consolidated income statement.

EBIT - Earnings before interest and tax, corresponding to "Operating profit (loss)" in the consolidated income statement.

CapEx - A measure of expenditure on PPE that qualify for capitalization.

Net current operating assets (NCOA) - A measure of working capital. It is calculated by trade and other receivables and inventories minus trade and other payables, excluding financial assets or financial liabilities related to hedging activities.

Net debt - Gross debt minus cash and cash equivalents, restricted cash and marketable securities.

Net current operating assets (NCOA)

Amounts in NOK million	**2022**	**2021**
Trade and other receivables	1,577	1,319
Inventories	952	716
Trade and other payables	(2,110)	(2,974)
Net current operating assets (NCOA)	**419**	**(939)**

Net debt

Amounts in NOK million	**2021**	**2020**
Non-current borrowings	19,102	17,118
Current borrowings	871	446
Gross debt	19,973	17,564
Marketable securities	—	702
Restricted cash	2,076	2,071
Cash and cash equivalents	8,683	5,412
Total cash and marketable securities	10,759	8,185
Net debt	**9,214**	**9,379**

Corporate Governance Report 2022

Effective corporate governance provides the foundation for responsible business conduct and value creation, which are important goals for Aker Horizons. For a planet-positive company, good corporate governance is a prerequisite for success. It is therefore a key concern for Aker Horizons' Board of Directors and employees, and informs the exercise of ownership in Aker Horizons' portfolio companies.

Aker Horizons believes in active ownership. Shareholders with clearly defined strategic goals for the Company who are involved through the boardroom and in direct dialogue with company management promote shareholder value. Active ownership provides direction and purpose. Aker Horizons' main shareholder, Aker ASA (through its subsidiary Aker Capital AS) and the Aker group's ultimate owner, Kjell Inge Røkke, are actively engaged in Aker Horizons as owners. Similarly, Aker Horizons is closely involved in the monitoring and follow-up of companies in which Aker Horizons is the main shareholder. Aker Horizons' management model is discussed in the Board of Directors' Report for 2022.

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 2021, 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 Horizons' principles are largely consistent with the recommendations.

1. Corporate governance

This corporate governance report and Aker Horizons' governance systems have been approved by the Board. The purpose is to ensure a productive division of roles and responsibilities among Aker Horizons' owners, Board of Directors and executive management as well as satisfactory control of the Company's activities.

2. Business purpose

Aker Horizons' business purpose is expressed in the Company's Articles of Association: "The company's purpose is to, by itself or together with other parties, invest in and develop companies and businesses within energy, climate and environmental solutions and infrastructure, and associated technology, goods and services." The Board has prepared clear goals, strategies and a risk profile for the Company. The Company has guidelines for how it integrates the concern for people, the planet and prosperity for all stakeholders into its value creation with a clear planet-positive purpose. A Company Sustainability Policy has been established. In the Annual and Sustainability Report, Aker Horizons describes how sustainability is integrated into Aker Horizons' investment and development processes, as well as ownership practices. Further, the Annual and Sustainability Report includes reporting on progress on key topics. The Board evaluates Aker Horizons' targets, strategies and risk profile on an annual basis, at a minimum.

3. Equity and dividends

Equity

Aker Horizons Group had NOK 13,615 million in book equity as of 31 December 2022, corresponding to an equity ratio of 36.5 percent. The parent company's book equity amounted to NOK 15,421 million, corresponding to an equity ratio of 70 percent. Aker Horizons considers its capital structure appropriate and adapted to its objectives, strategy and risk profile.

Dividends

Aker Horizons has a clear long-term ambition to become a dividend-yielding company. To reach its ambitions for contributing to global decarbonization and build scale at the operational level, Aker Horizons will, in the short-term, continue to prioritize growth over dividends. Building scale will enable self-sustained growth alongside dividend capacity, and is consequently seen as critical to maximizing shareholder value ahead of initiation of dividends from portfolio companies.

Board authorizations

The Board's proposals for board authorizations comply with the relevant recommendation in the Norwegian Code of Practice for Corporate Governance. Board authorizations are limited to defined issues and are dealt with as separate agenda items at the Annual General Meeting. Board authorizations remain valid until the next Annual General Meeting.

4. Equal treatment of shareholders

Aker Horizons has a single class of shares, and all shares carry equal rights. Aker Horizons has developed principles and guidelines for transaction agreements and other agreements not forming part of ordinary operations involving Aker Horizons and companies in which Aker Horizons has significant ownership interests. Additional information on transactions with related parties can be found in Note 34 Related party transactions to the 2022 consolidated financial statements.

5. Shares and negotiability

There are no restrictions on owning, trading or voting for shares in Aker Horizons ASA.

6. General meetings

Meeting notification, registration and participation

Aker Horizons encourages all its shareholders to participate in general meetings. Through the general meeting, shareholders exercise the highest authority in the Company. Aker Horizons will however, normally not have the entire board attend the meeting as this is considered unnecessary. This represents a deviation from the Norwegian Code of Practice, which states that arrangements shall be made to ensure participation by all directors.

The Annual General Meeting for 2023 will take place on 21 April. Shareholders unable to attend a 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's website.

Meeting chair, voting, etc.

According to Aker Horizons' Articles of Association, the general meeting is chaired by the Chair of the Board, or by an individual appointed by the Board Chair. In this regard, Aker Horizons deviates from the NUES recommendation, which states that the general meeting should be able to elect an independent chair. In the Company's experience, its procedures for the chairing and the execution of general meetings have proven satisfactory.

The general meeting elects the members of the Nomination Committee and shareholder-elected members of the Board of Directors. The Nomination Committee focuses on composing a Board of Directors that works optimally as a team, and on ensuring diversity and that board members' experience and qualifications complement each other, that required and important areas of competence are covered by the Board and that statutory gender representation requirements are met. This entails that the shareholders can only vote on the composition of the Board of Directors as a complete set, and not on each board member separately. On this point, Aker Horizons' practice 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 Horizons has a Nomination Committee as required by its Articles of Association. The Nomination Committee must be comprised of at least two members, and each member is normally elected for a two-year period.

The members and chair of the Nomination Committee are elected by the Company's general meeting, which also determines the remuneration payable to committee members.

The Company's general meeting adopted instructions for the Nomination Committee's operations in April 2021.

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.

Current members of the committee are Svein Oskar Stoknes, Chief Financial Officer of Aker ASA, Aker Horizons' main shareholder, and Ingebret Hisdal. Ingebret Hisdal is a former Deloitte Partner and Auditor and currently a business consultant and member of several nomination committees both in the Aker ecosystem and elsewhere. Svein Oskar Stoknes chairs the committee. Shareholders who wish to contact the Nomination Committee can contact the Company's Investor Relations (IR) function as set out on its website.

8. Board of Directors – composition and independence

Pursuant to the Company's Articles of Association, the Board comprises between three and nine members. The majority of the shareholder-elected board members are independent of executive personnel and material business contacts. A minimum of two are independent of the Company's main shareholder(s).

The nomination committee recommends candidates for and the composition of the Board for approval by the general meeting. Neither the CEO nor any member of the executive management is a member of the Aker Horizons Board of Directors. The Board's current composition is presented in the 2022 Annual and Sustainability Report, as are Board members' qualifications and expertise, record of attendance, share ownership, membership in board committees and independence considerations. The Company does not have a Corporate Assembly.

9. The work of the Board of Directors

Aker Horizons' Board of Directors has established board instructions that regulate areas of responsibility, tasks and the division of roles between the Board, the Board Chair and the CEO. The Board has adopted guidelines for related party agreements. Guidelines and procedures have also been implemented to ensure that Board members and senior employees report any directly or indirectly significant interests in agreements entered into by Aker Horizons or companies in which Aker Horizons has significant ownership interests.

Aker Horizons 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 2022 Annual and Sustainability Report.

Aker Horizons has a remuneration committee consisting of the chairman of the board.

10. Risk management and internal control

Governing principles

The Board of Directors, supported by the Audit Committee, ensures that Aker Horizons has procedures and systems for good corporate governance, effective internal control and robust risk management. The Board establishes the overall principles for governance and control in Aker Horizons ASA through the adoption of governing documents. For particularly important areas of group-wide relevance, the Board ensures that governing documents are implemented in the portfolio companies which are consistent with the framework of Aker Horizons' relevant governing documents. For example, Aker Horizons' Code of Conduct expresses expectations with respect to the portfolio companies' respective codes of conduct. The same applies to policies and procedures in key areas such as anti-corruption, sustainability, third party management and business partner conduct. The Audit Committee reviews the Company's reporting systems, internal control and overall risk management on an annual basis.

Compliance function

Aker Horizons has established a Compliance function with dual reporting duties to the Company's General Counsel and the leader of the Audit Committee. The Chief Compliance Officer's main task is to ensure that Aker Horizons is compliant with relevant laws and regulations, including Aker Horizons' internal regulations, policies, procedures and guidelines. This is done through the group-wide implementation of a risk-based compliance program. Aker

Horizons' Chief Compliance Officer works to contribute to effective information and knowledge sharing between the various compliance departments in the Group.

Aker Horizons has implemented a whistleblowing channel for the reporting of illegal and unethical conduct, 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's website.

Risk management

Aker Horizons and its portfolio companies are exposed to a variety of risks. The Board carries out a quarterly review of the Company's most important areas of exposure to risks throughout the portfolio. Prior to the quarterly enterprise risk reporting to the Board, the Audit Committee reviews the reported main risks and relevant risk mitigating measures. Once a year, the climate-related financial risk analysis and the sustainability materiality analysis are presented to the Audit Committee and Board.

Aker Horizons' process for enterprise risk management is based on the assessment and monitoring of major financial, strategic, market and regulatory, legal and compliance, project and operational, and climate-related risk factors. These include group level risks as well as risks related specifically to the portfolio companies' operations. Mitigating actions are identified for key risks and their implementation is monitored.

Aker Horizons considers risk assessment to be a natural part of all business operations and works continuously to identify and address risks. Management of project and operational risk lies primarily with the portfolio companies, but Aker Horizons monitors and follows up risk through its regular dialogue with the portfolio companies' managements and participation on their boards. Aker Horizons has adopted and implemented a risk management procedure in 2022.

Internal control in financial reporting

The Aker Horizons' financial reporting division reports to the Chief Financial Officer and is responsible for the external reporting process and the internal management of the financial reporting process. This includes assessing financial reporting risks and internal controls over financial reporting in the Group.

Aker Horizons has established a procedure for internal control over financial reporting (ICFR) that is under implementation in all major companies in the Aker Horizons group. The procedure requires annual risk assessment, mapping/implementation of key controls, and processes for monitoring that key controls are performed as intended. The procedure creates a framework for more targeted and consistent work with ICFR. Experience so far shows that the companies are making headway in this area.

In connection with the process of preparing Aker Horizons' financial statements, clearing meetings are held with the management teams of each portfolio company. The main purpose of these meetings is to ensure the quality of the financial reporting. The clearing meetings focus on significant valuation items, off-balance sheet items, significant non-recurring transactions, new or modified accounting principles, internal control in financial reporting, and special topics in the annual report.

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.

In the process of preparing Aker Horizons' annual sustainability reporting, meetings are held with portfolio holdings to ensure the quality of the sustainability reporting. The Audit Committee also conducts a preliminary review of the annual sustainability reporting. A summary of Aker Horizons' human rights due diligence and related efforts pursuant to the Transparency Act is included in the Sustainability Report. A full account of due diligence pursuant to the Transparency Act will, as required by the Act, be published on Aker Horizons' website by 30 June 2023.

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 Horizons' financial performance, and there are no option programs for any of the board members. The Annual General Meeting determines board remuneration after considering recommendations from the Nomination Committee. The Board members representing associated companies are not compensated. Information on the remuneration paid to individual board members for 2022 can be found in the Remuneration Report.

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 as by the annual general meeting in 2022.

The CEO's employment contract has been approved by the Board. The remuneration paid to the CEO is approved by the Board after considering recommendations from the Board Chair. The CEO determines the remuneration payable to other key executives in consultation with the Chairman of the Board, in accordance with board guidelines. Aker Horizons has no stock option programs. The remuneration for executive management includes a fixed annual salary, a variable pay element and other benefits such as standard employee pension and insurance schemes. Aker Horizons had a share purchase program for employees in combination with its listing in May 2021. The details of the share purchase program are discussed in more detail in the listing prospectus dated 19 May 2021. Further information on the remuneration of individual members of Aker Horizons' executive management in 2022 can be found in a separate report prepared in accordance with section 6-16b of the Norwegian Public Limited Liability Companies Act. Some members of Aker Horizons' executive management represent the Company's interests as members of the boards of other Aker companies. They do not receive personal remuneration for these board positions.

13. Information and communication

Aker Horizons' reporting of financial, sustainability and other information is based on transparency and equal treatment of stakeholders. All stock exchange notifications and press releases are published on the Company's website, www.akerhorizons.com. Stock exchange notices are also available at www.newsweb.no. The Company organizes presentations in connection with its financial reporting. These meetings are generally broadcast directly via the internet (webcast). The Company's financial calendar is published on Aker Horizons' website.

14. Takeover

Aker Horizons 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 its indirect majority ownership, Aker ASA (through its subsidiary Aker Capital AS) controls 67.25 percent of the Company. Aker ASA is privately held by TRG holding companies, which gives Kjell Inge Røkke effective control of 68.2 per cent of Aker Capital stock. In view of this, the Board has deemed separate takeover guidelines as recommended by the Code of Practice to be unnecessary.

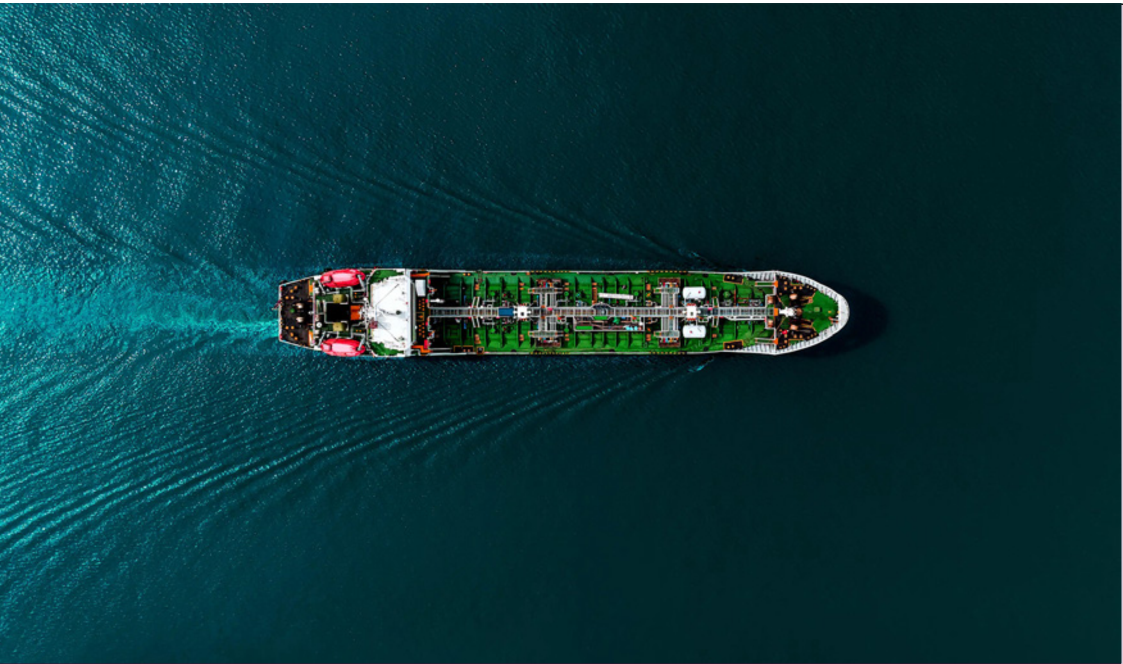
15. Auditor

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 for 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. During 2022, there were no disagreements between the auditor and management on any material issues. The auditor reports to the Audit Committee on its assessment of the internal controls on the financial reporting process. The outcome of this review is presented to the Board. The Audit Committee and the Board meet with the auditor on a regular and annual basis, respectively. The Audit Committee receives annually an 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 2022 for both audit and other services is presented in Note 6 to the consolidated financial statements. These details are also presented to the Annual General Meeting.

16. Equality, diversity and inclusion

Aker Horizons has a Sustainability Policy that is approved by the Board of Directors, which includes its commitments to equality, inclusion and diversity. Further, Aker Horizons focuses on equality, diversity and inclusion throughout its business, with a long-term ambition of gender balance at all levels, diversity in background, education, competence, inclusion of people with disabilities and other factors The Company has developed guidelines for equality, diversity and inclusion with respect to the composition of the governing bodies and executive management. The goal of these guidelines is to ensure a strong corporate culture, driven by diversity in thinking and actions, that leads to better decisions and creates long-term value for Aker Horizons, other stakeholders and society at large. The guidelines can be accessed on Aker Horizons' website.

The current status of equality, diversity and inclusion in governing bodies, executive management and the broader organizations of Aker Horizons and its portfolio companies is described throughout this report, including in the Board of Directors Report and the Sustainability Progress Report.



Remuneration Report 2022

Introduction

This Remuneration Report has been prepared in accordance with the Norwegian Public Limited Liability Companies Act section 6-16b and describes the principles for and the actual remuneration vested by the executive management in Aker Horizons ASA (“Aker Horizons” or the “Company”) during 2022. The report is presented for advisory vote by the Company’s annual general meeting to be held on 21 April 2023. Following the vote, the Remuneration Report will be made available at the Company’s website www.akerhorizons.com

The principles and framework for remuneration to the executives are set out in the Executive Remuneration Guidelines for Aker Horizons (“the Guidelines”), which was approved at the Company’s annual general meeting on 22 April 2022 and is also available on the Company’s website. The Guidelines are designed to attract and retain executives, to align interests between executives and the Company’s shareholders, and to encourage a strong and sustainable performance-based culture, which supports the Company’s overall strategic ambitions and goals over time.

Highlights

The key events for the financial year 2022 and Aker Horizons' overall performance is summarized in the Board of Directors' Report of the Annual and Sustainability Report 2022. The Annual and Sustainability Report is available on the Company's website.

The financial year 2022 was a transformative year for Aker Horizons, characterized by a volatile and uncertain macro environment. The Company took significant steps to reduce the complexity of its portfolio and increase its robustness in the face of such uncertainty, e.g. through the sale of all its shares in REC Silicon to Hanwha, the delisting of and mergers with Aker Clean Hydrogen and Aker Offshore Wind, and the subsequent combination of Aker Offshore Wind with Mainstream Renewable Power. Further, Aker Horizons secured Mitsui as a long term strategic investor and partner in Mainstream Renewable Power.

Throughout the year, Aker Horizons continued to drive forward prioritized projects, maintain focus and financial discipline, and develop industrial partnerships, thereby strengthening the Company's position as an early mover in key Net Zero segments including CCUS, offshore wind and hydrogen.

The Company closed the year with a cash position of NOK 4.1 billion and total available corporate liquidity of NOK 9.4 billion.

There were no changes to the executive management in 2022 and the executives pertinent to the Guidelines include Chief Executive Officer (CEO) Kristian M. Røkke and Chief Financial Officer (CFO) Nanna Tollefsen (the "Executive Management" or separately as each "Executive"). The remuneration to the Executive Management for 2022 is in accordance with the principles set out in the Guidelines. No deviations have been made from the approved Guidelines and no remuneration was recovered from any of the Executive Management during 2022.

Total remuneration of the Executive Management

The total remuneration package for the Executive Management consists of a fixed salary, variable pay and other benefits such as standard employee pension and insurance coverage.

The remuneration to the CEO is recommended by the Chairman of the Board and approved by the Board of Directors on an annual basis, while the remuneration to the CFO is approved by the CEO, in consultation with the Chairman, and informed to the Board of Directors on an annual basis.

The table below shows the total remuneration awarded or due to the Executive Management for 2022.

Amounts in NOK thousand	Base salary	Fringe benefits[1]	Variable pay	Total remuneration	Pension expense[2]	Proportion fixed vs variable
Kristian Røkke, CEO	6,287	17	3,594	**9,897**	189	64/36
Nanna Tollefsen, CFO	2,620	42	2,246	**4,908**	193	54/46
Total	**8,907**	**59**	**5,840**	**14,805**	**382**	

1) Fringe benefits include membership in the standard employee benefit scheme and disability insurance.

2) The executive management team participates in the standard pension and insurance schemes applicable to all employees.

Executive Management received no remuneration for directorships or membership of nomination committees of other Aker companies. In 2022, Aker Horizons Holding AS invoiced a total of NOK 3.0 million for Kristian Røkke's directorship on other Aker companies.

Standard terms and remuneration components

In line with other Aker Horizons personnel, the Executive Management is offered standard employment contracts with terms and conditions consistent with industry standards. The CEO's employment contract can be terminated on three months' notice. In accordance with statutory law, the Company may request the resignation of the CEO at its own discretion against a severance payment equal to three months' salary from the expiry of the notice period. The CFO has a standard notice period of three months and no severance payment.

Fixed salary
The fixed salary to the Executive Management shall be in line with the market level for corresponding jobs in the industry and be based on responsibilities, expertise, and performance. The level of fixed salary is reviewed regularly, usually annually to ensure that it is set at the right level. The fixed salary for the Executive Management in 2022 consisted of base pay and is included in the table above. The base salary development for the Executive Management in 2022 was in line with the salary development of regular employees.

Variable salary
Variable remuneration to the CEO is recommended by the Chairman of the Board and approved by the Board of Directors on an annual basis. The remuneration to the CFO is approved by the CEO, in consultation with the Chairman of the Board, and informed to the Board of Directors of Aker Horizons on an annual basis.

In 2022, the Executive Management participated in an annual variable pay program. The annual variable pay program applicable to employees in the Company including the Executive Management in 2022, comprised of two components;

a. 50 percent related to delivery of certain key financial, operational, and strategic targets (Company objectives)
b. 50 percent related to delivery of personal performance objectives during the year

The annual variable remuneration is discretionary and for the CEO, the total variable pay from the various schemes shall not exceed two thirds of the annual base salary. For the CFO, the total variable pay from the various schemes shall not exceed 100 percent of the annual base salary.

The definition of the Company objectives and fulfillment assessment is subject to the Chairman and Board of Directors' approval and discretionary assessment. For the CEO, individual objectives are approved and assessed by the Chairman. For the CFO, the individual objectives are set and assessed by the CEO.

The main Company objectives used in assessing variable remuneration for the Executive Management in 2022 included:

a. A streamlining of the portfolio and group structure, including the sale of the shareholdings in REC Silicon and a combining of portfolio companies Aker Offshore Wind and Mainstream Renewable Power
b. Securing funding for Mainstream
c. Securing value-enhancing partnerships for portfolio companies and projects
d. Net asset value development in 2022

Based on an overall assessment of the responsibilities, expertise and performance of the CEO, and with a particular view to his role in the portfolio restructuring and the partnership entered into with Mitsui, the 2022 variable remuneration for the CEO was set to NOK 3,208,500 excluding holiday pay, which equates to 78 percent of the total maximum variable pay. The variable remuneration for the CFO was set to NOK 2,005,313 excluding holiday pay, which equates to 78 percent of the total maximum variable pay.

Executives may be paid additional remuneration in extraordinary circumstances, provided that such extraordinary arrangements are made only at an individual level and with the view to either recruit or retain an executive, as compensation for extraordinary work beyond individual usual duties or as part of a termination settlement. No such additional remuneration was awarded to the Executive Management for 2022.

Share based remuneration
Executive Management may be offered to purchase shares in the Company or in affiliated companies. Shares may be offered at maximum of 30 percent price reduction or additional shares may be awarded, in exchange for accepting a defined lock-up period on the acquired shares. No such share program was offered in 2022.

The Company does not offer the Executive Management any share options and has not granted remuneration in the form shares, subscription rights, options, and other forms of remuneration linked to shares or the development of the share price in the Company or in other companies within the group in 2022.

Other benefits
The Executive Management participates in the collective pension and insurance scheme open to all employees in the Company. Pension is based on a defined contribution plan and is capped at 12G for all employees including the Executive Management.

None of the Executive Management have performance-based pension plans, prepayments or other forms of credit or guarantees from the Company except for the loans described below. The Executive Management receives non-monetary benefits such as phones, broad band etc. aligned with company practice. The Executive Management has loans from the Company related to the share program offered in 2021. As of 31 December 2022, the loan balance was NOK 15.5 million for Kristian Røkke and NOK 3.1 million for Nanna Tollefsen. Interest rates on the loans are equal to the prevailing interest rate for loans from an employer to employees as determined by the Norwegian Ministry of Finance ("normrente"), and the loans are due on 1 March 2024.

Comparative information on the change of remuneration and company performance

The below table shows comparative information on the change of remuneration for each executive since the Company was established in August 2020 in comparison with some selected company performance measures and average remuneration for all employees (excluding Executives). Total remuneration includes fixed and variable salary (including calculated holiday pay) in each year for the relevant individuals and/or all employees. However, with some of the variable salary being based upon individual achievement, and a variation of number of of employees over time, the information below is not directly comparable.

Change of remuneration for each executive

	2020[2]		2021[2]		2022	
Amounts in NOK thousand	Fixed	Total	Fixed	Total[3]	Fixed	Total
Kristian Røkke, CEO	3,921	3,921	6,123	24,834	6,303	9,897
Change			56.2%	533.4%	2.9%	-60.1%
Nanna Tollefsen, CFO[1]	n.a.	n.a.	2,597	5,120	2,662	4,908
Change					2.5%	-4.1%
Ola B. Fosse, CFO[1]	2,065	2,065	2,131	3,997		
Change			3.2%	93.5%		

1) Ola Beinnes Fosse was CFO until 1 May 2021 and Nanna Tollefsen has been CFO from 1 May 2021.

2) Annualized for Kristian Røkke and Ola Beinnes Fosse in 2020. Annualized for Ola Beinnes Fosse and Nanna Tollefsen in 2021. Comparatives for 2020 and 2021 have been restated to reflect holiday payment on an accrual basis.

3) Total includes extraordinary items of NOK 14.9 million to Kristian Røkke that was used to acquire shares in Aker Horizons Holding AS as part of the incentive program described below.

Group performance

Amounts in NOK million	2020[1]	2021	2022
Net asset value (NAV)	12,790	16,923	15,079
Change		32.0%	-11.0%

1) Net asset value (NAV) of NOK 12,790 million is per 1 February 2021 (time of listing of Aker Horizons).

Average remuneration for all employees (excluding Executives)

Amounts in NOK thousand	2020	2021	2022
Aker Horizons ASA employee	1,703	2,133	2,144
Change		25.2%	0.5%

Compensation to the Board of Directors

The general meeting determines the compensation to the Board of Directors based on a proposal from the Nomination Committee. At the 2022 ordinary general meeting, the Nomination Committee proposed the compensation payable for the period between the 2022 ordinary general meeting and the 2023 ordinary general meeting.

No agreements exist which entitles the Directors to any extraordinary compensation, except for a consultancy agreement with Auke Lont. The consultancy agreement with Lont can be terminated by either party by serving 30 days written notice. Lont receives a fixed annual fee of NOK 2,000,000 (excluding VAT) based on approximately two working days per week, which is invoiced monthly. The consultant provides general advice related to the development of the Company and its portfolio companies. Lont does not have signature rights and no authority to sign any third-party agreements on behalf of the Company.

The fees in the table below represent expenses recognized in the income statement based on assumptions about fees to be approved at the general assembly rather than actual payments made. Unless explicitly stated below, members of the Board of Directors did not receive any other fees than those listed in the table.

			2022		2021[4]	
Amounts in NOK thousand		Share-holding	Audit Committee fees	Board fees	Audit Committee fees	Board fees
Øyvind Eriksen[1,2]	Chairperson	285,714		—		—
Kjell Inge Røkke [1,3]	Director			—		—
Lone Fønss Schrøder	Director		187	320	120	207
Lise Kingo	Director		108	320	69	207
Auke Lont	Director			320		129
Lene Landøy[1]	Deputy			—		
Total			294	960	189	543

1) The fees allocated to Øyvind Eriksen, Kjell Inge Røkke and Lene Landøy will, as per Aker policies, be paid to their respective employer companies. Fee for Chairperson Øyvind Eriksen is NOK 620 thousand in 2022 (2021; NOK 400 thousand), for Director Kjell Inge Røkke is NOK 320 thousand (2021: 207 thousand) and for Deputy Lene Landøy (NOK 159 thousand) (nil in 2021)

2) Owns shares in Aker Horizons ASA through Erøy AS

3) Kjell Inge Røkke's minor son, Normann Eidsvig Røkke, owns 2,500 shares

4) Period in 2021 is from May to December (August to December for Auke Lont)

Aker Horizons' Board of Directors does not include any employee representatives.

Audit Committee

Aker Horizons has an Audit Committee comprising two of the directors, which held seven meetings in 2022. As of 31 December 2022, the Audit Committee comprises Lone Fønss Schrøder (chair) and Lise Kingo.

Nomination committee

Current members of the nomination committee are Svein Oskar Stoknes (chair) and Ingebret Hisdal. The chair of the nomination committee receive an annual compensation of NOK 52,000 and other members receive NOK 42,000.

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To the General Meeting of Aker Horizons ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Aker Horizons ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but

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not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 17 March 2023
PricewaterhouseCoopers AS

Thomas Fraurud
State Authorised Public Accountant

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Transparent Reporting

Frameworks

For Aker Horizons, transparency is a foundation for building trust with its stakeholders. To provide the most comprehensive and holistic overview, Aker Horizons has adopted complementary, well-established international reporting frameworks and complies with relevant laws and regulations.

Aker Horizons' 2022 annual report is an integrated report, presenting the financial, environmental, social and governance (ESG) performance of Aker Horizons and its portfolio companies, for the period 1 January 2022 to 31 December 2022. The report was published on 23 March 2023. For any questions or queries related to this report, please contact:

- Marianne Stigset, Director of Communications and External Affairs (marianne.stigset@akerhorizons.com)
- Christian Yggeseth, Director of Investor Relations (christian.yggeseth@akerhorizons.com
- Selma Skov Høye, Sustainability Director (selma.hoye@akerhorizons.com)

Global Reporting Initiative Standards 2021 (GRI)
The ESG part of the report has been prepared with reference to the new Global of Aker Horizons' material impacts across the environmental, social and governance spectrum.

Corporate Sustainability Reporting Directive (CSRD) and double materiality
At the end of 2022, Aker Horizons conducted an independent sustainability materiality assessment, which included the activities of its portfolio companies. The materiality assessment has been conducted as described in the EU's upcoming Corporate Sustainability Reporting Directive (CSRD). The adopted approach follows the concept of double materiality which acknowledges that businesses should assess both the risk and opportunities linked to ESG topics that can influence enterprise value creation ("outside-in") and the ESG impacts that a company can have on the planet and society ("inside-out"). Impact materiality and financial materiality assessments are interrelated, and Aker Horizons has considered the interdependencies between these two dimensions of its impacts in the performance of the materiality assessment.

A detailed list of updated material topics can be found in the Materiality Assessment chapter.

World Economic Forum Stakeholder Capitalism Metrics
Aker Horizons supports the World Economic Forum's (WEF) Stakeholder Capitalism Metrics and the disclosures contained within the report are aligned with the WEF's 21 core metrics. The four WEF themes Planet, People, Prosperity and Governance serve in this report as an overarching framework.

Sustainable Development Goals
The UN Sustainable Development Goals (SDGs) are the world's shared goals for a sustainable future. Aker Horizons has identified eight priority SDGs where the Company can exert the greatest positive impact.

Greenhouse Gas Protocol (GHG Protocol)
The Greenhouse Gas Protocol is the most widely used international accounting methodology to quantify and manage businesses' greenhouse gas emissions. Aker Horizons' carbon footprint reporting on direct and indirect GHG emissions aligns with the three scopes defined in the GHG Protocol.

Norwegian Transparency Act
Aker Horizons will publish a full account of of its due diligence by 30 June, in line with the requirements of the Norwegian Transparency Act. However, this report provides a status update on the Company's compliance with the Act and its broader work on human and labor rights. The due diligence account will be published on the sustainability pages of Aker Horizons' website.

Task Force on Climate-related Financial Disclosures (TCFD)
Additionally, as a reflection of Aker Horizons' climate-related risk and opportunities management, the Company reports in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. A complete climate-related assessment can be found in the appendix to this report.

International Financial Reporting Standards (IFRS)
Aker Horizons' consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and associated interpretations by the EU as of 31 December 2022, and Norwegian disclosure requirements pursuant to the Norwegian Accounting Act as of 31 December 2022.

EU Taxonomy
The EU Sustainable Finance package of regulations is relevant for Aker Horizons. The EU Taxonomy Regulation, defining what may be classified as green economic activity, is a regulation and framework relevant for Aker Horizons' business activities. Although the EU Taxonomy Regulation was not in force in Norway in 2022, Aker Horizons is using the framework and, accordingly, discloses its share of Revenue, Operational Expenditures and Capital Expenditures on a voluntary basis. Further details concerning the approach may be found in the section Sustainability Accounting Principles and Methodology.

Sustainable Finance Disclosure Regulation (SFDR)
The Sustainable Finance Disclosure Regulation and its Principal Adverse Impact indicators are not applicable to Aker Horizons. Nevertheless, Aker Horizons chooses to report on its core indicators, as a matter of good practice, as they are relevant to many of Aker Horizons' shareholders.

Norwegian Accounting Act
The Corporate Governance Report presents Aker Horizons' corporate governance principles and practices in accordance with the requirements of the Norwegian Accounting Act and the Norwegian Code of Practice for Corporate Governance.

The report also covers the sustainability reporting requirement under Norwegian Accounting Act (section 3-3c). More information about the Board's composition and approach to ESG governance can be found in the Board of Directors' Report and the Corporate Governance Report.

Report boundaries

The report covers Aker Horizons and companies in its portfolio. Where the report refers to the "Group" or "Group Companies," this includes Aker Horizons' financially-consolidated investees Aker Carbon Capture, Aker Horizons Asset Development and Mainstream Renewable Power (Mainstream Renewable Power or Mainstream). The term "portfolio companies" also includes Supernode.

Please refer to the section Aker Horizons in Brief or the Company's website www.akerhorizons.com for more information about Aker Horizons and its portfolio.

Sustainability Accounting Principles and Methodology

Greenhouse gas emissions calculations

The Greenhouse Gas Protocol (GHG Protocol) is the most widely-used international accounting methodology to quantify and manage businesses' greenhouse gas emissions. Aker Horizons' reporting on direct and indirect GHG emissions is done according to the GHG Protocol's three scopes. By using acknowledged emission factors, consumption data is recalculated into CO_2 emissions. According to the GHG Protocol, Scope 2 emissions relating to electricity are calculated using both location-based and market-based emission factors.

Aker Horizons reports according to the financial control approach. This differs from 2021. Financially controlled investees are now included in Aker Horizons' own emissions (Scope 1-3 line by line). Equity accounted investees are included in Aker Horizons' Scope 3 Category 15 - Investments. Currently, Mainstream Renewable Power collects and reports data on an operational control basis. This will be further aligned in the future, but figures reported are not deemed to deviate extensively from what would be the case under the consistent application of the financial control approach.

Aker Horizons has close dialogue with Group companies on the reporting of greenhouse gas emissions. Across all scopes, underlying data on physical consumption (in units of for instance liters, tonnes, or MWh) was received. Methodologies for calculating Scope 3 emissions were in 2022 not closely coordinated across the Group due to differences in the available data, as well as the location and maturity of the operations. This is on the agenda for future reporting.

Aker Horizons' total emissions in 2022 came to 27,810 tonnes (location-based) and 27,938 tonnes (market-based).

Scope 1
Aker Horizons' Scope 1 emissions in 2022 totaled 772 tonnes CO_2e. This relates predominantly to emissions deriving from Mainstream Renewable Power's consumption of diesel and petrol as well as some leakage of SF-6 gas.

Scope 2
Aker Horizons' Scope 2 emissions in 2022 totaled 5,576 tonnes (location-based) and 5,690 tonnes (market-based).

For Scope 2, Aker Horizons Holding and Aker Horizons Asset Development report electricity, district heating and cooling. Guarantees of origin were not purchased for electricity, which is reflected in the Scope 2 market-based emissions.

The approach to calculating office-based emissions was coordinated across the Aker Horizons Group (such as emissions from heating/cooling). The same applies to sources for emission factors.

Scope 3
Aker Horizons' Scope 3 emissions in 2022 totaled 21,462 tonnes (location-based) and 21,476 tonnes (market-based).

As described above, the methodologies used to calculate Scope 3 emissions were in 2022 not closely coordinated across the Group, due to differences in available data, as well as the location and maturity of the operations.

There was also some divergence with respect to the categories reported on.

- Aker Carbon Capture reported on Category 1 - Purchased goods and Services, Category 3 - Fuel and energy (both location-based and market-based), Category 4 - Upstream Transportation and Distribution, Category 5 - Waste, and Category 6 - Business travel.
- Mainstream Renewable Power reported on Category 5 - Waste, and Category and Category 6 - Business travel.
- Supernode did not report on Scope 3 in 2022.

Below is a description of the approach taken to determine Aker Horizons Holding and Aker Asset Development's Scope 3 emissions. Reported emissions for the other Group companies were presented and followed up through direct dialogue.

For Scope 3, Aker Horizons is reporting on four (of fifteen) categories: waste, business travel, employee commuting, and investments. When accounting for the four Scope 3 categories, the following GHG Protocol calculation methods were used:

- Category 5 (waste) - the average-data method was used. Aker Horizons' own waste data is expressed as a pro rata share of the volume recorded at the Fornebuporten complex, where its offices are located.
- Category 6 (business travel, flights) - the distance-based method was used. Aker Horizons utilizes AMEX for booking business travel, which provides estimated emissions based on distance. Some travel was not booked through AMEX - for these trips, the emissions were extrapolated from the AMEX data based on costs in the travel cost system. Finally, some individuals seconded from one company to another (and therefore not captured by the employee cost system) delivered custom travel reports for manual inclusion.
- Category 7 (employee commuting) - the distance-based method was used. The data used in calculations was collected through an employee survey (76 percent completion rate) conducted for Aker Horizons and Aker Horizons Asset Development. Internationally applicable emission factors from DEFRA[18] were used for most of the vehicles. However, due to grid mix and infrastructure differences between the UK and Norway, Norwegian (SSB)[19] emission factors were used for rail, bus and electric vehicles.
- Category 15 (investments) - was calculated using the equity approach and investment specific method. In 2022, this included emission data from Supernode.

The table to the right summarizes the emission factors used for the calculations of Aker Horizons Holding and Asset Development's own emissions.

The table on the next page summarizes all of Aker Horizons' emissions in 2022, line by line.

Emission factors

Scope 1			
Reporting	**Emission factor**	**Unit**	**Source**

Scope 2			
Reporting	**Emission factor**	**Unit**	**Source**
Electricity (location-based)	0.011	tCO_2e/MWh	NVE
Electricity (residual market-based)	0.405	tCO_2e/MWh	NVE
Electricity (market based with GoOs)	0	tCO_2e/MWh	Assumption
District heating	0.005	tCO_2e/MWh	Oslofjord Varme
District cooling	0.004	tCO_2e/MWh	Oslofjord Varme

Scope 3			
Reporting	**Emission factor**	**Unit**	**Source**
Waste	21.28	kg CO_2e/t	DEFRA
Business air travel	—	—	AMEX[20]
Employee commuting			
Bus	0,0000811	tCO_2e	SSB
Car (petrol)	0,00017048	tCO_2e	DEFRA
Car (diesel)	0,000170824	tCO_2e	DEFRA
Car (hybrid)	0,00012004	tCO_2e	DEFRA
Car (plug-in hybrid electric vehicle)	0,00009349	tCO_2e	DEFRA
Car (battery electric vehicle)	0	tCO_2e	DEFRA
Rail	0,0000122	tCO_2e	SSB
Biking	0	tCO_2e	DEFRA
Walking	0	tCO_2e	DEFRA

[18] *UK Government Greenhouse gas reporting: conversion factors 2022. Available at: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022*
[19] *Statistisk Sentralbyrå. Available at: https://www.ssb.no/natur-og-miljo/forurensning-og-klima/artikler/mindre-utslipp-per-transportarbeid*
[20] *Utilized travel agency's own estimate of air travel CO_2 emissions*

Aker Horizons' total greenhouse gas emissions

Type	Data	Unit	tCO_2e
Scope 1			
LNG	200	Liter	1
LPG	—	Tonnes	0
Natural Gas	—	Tonnes	0
Propane	—	Tonnes	0
Burning oil	—	Litres	0
Diesel	239,829	Litres	613
Petrol	25,557	Litres	55
Marine gas oil	—	Litres	0
Marine fuel oil	—	Litres	0
SF-6 gas	5	Kilograms	103
Scope 1 total			**772**

Scope 2			
Electricity (location-based)	9,958,219	kWh	5,574
Electricity (market-based)	9,958,219	kWh	5,688
District heating (location / country)	96,567	kWh	1
District cooling (location / country)	50,656	kWh	1
Scope 2 total (Location based)			**5,576**
Scope 2 total (Market based)			**5,690**

Type	Data	Unit	tCO_2e
Scope 3			
1: Purchased goods and services	N.A.[21]	N.A.	17,836
2: Capital goods	—		—
3: Fuel and energy (Location based)	780,739	KWh	26
3: Fuel and energy (Market based)	780,739	KWh	30
4: Upstream transportation and distribution	148,816	Tonne*km	18
5: Waste	46,222	Kg	23
6: Business travel	—	Km	3,523
Flights	15,505,861	Km	3,183
Car allowance	143,934	Km	17
7: Employee commuting	N.A.[22]		31
8: Upstream leased assets	—		—
9: Downstream transportation and distribution	—		—
10: Processing of sold products	—		—
11: Use of sold products	—		—
12: End-of-life treatment of sold products	—		—
13: Downstream leased assets	—		—
14: Franchises	—		—
15: Investments (Location based)	—		6
15: Investments (Market based)	—		16
Scope 3 total (Location based)			**21,462**
Scope 3 total (Market based)			**21,476**

[21] This category was based on full LCA/Carbon footprint of the purchased goods and services for Aker Carbon Capture's products. Thus, this GHG emission are calculated based on a vast amount of data points not possible to summarize in this table.
[22] Different methods applied across companies

Aker Horizons' strategic ambitions

Aker Horizons' strategic ambitions describe the positive environmental contribution it aims to achieve through the expansion of planet-positive activities. By measuring and reporting on its activities' carbon footprint, broken down into Scope 1, 2 and 3, Aker Horizons ensures transparency with respect to their negative impact. However, the largely positive contribution deriving from expanding activities such as renewable energy generation and carbon capture and storage is generally lost in these reporting frameworks. The Company therefore places additional emphasis on ambitions and progress relating to such aspects. Aker Horizons' 2025 ambitions include:

- + NOK 100 bn in green investments
- + 10 GW in renewable power capacity
- - 25 Mt CO_2e p.a. emissions reduction

These ambitions encompass projects in both operation and under construction. When assessing whether a project shall be defined as a "project under construction," portfolio companies are referred to Aker Horizons' general accounting policies for fixed and intangible assets, section 2.2, which states that the cost of an item of property, plant and equipment shall be recognized if, and only if, it is probable that future economic benefits will flow to the entity, and the cost can be measured reliably. The key factor when assessing the timing of when to start capitalization of costs in a development project, such as a floating offshore wind park, is how probable future economic benefits are. All projects shall be assessed by Group Accounting before capitalization starts.

Green investments

This ambition encompasses total capital investments originated by Aker Horizons Group companies, before sell-downs. For other projects, Aker Horizons Group companies' pro rata share of the projects is applied.

Renewable power capacity

This ambition encompasses the total capacity of projects originated by Aker Horizons Group companies, before sell-downs. For other projects, Aker Horizons Group companies' pro rata share of the projects is applied. The ambition also covers the design capacity for both projects in operation and under construction (as described above).

Emissions reduction

The 25 Mt CO_2 ambition consists of two main elements: a 10 Mt CO_2e emissions reduction enabled through CCUS and a ~15 Mt CO_2e reduction from avoiding emissions in electricity generation. Both elements include Aker Horizons' projects in operation and those under construction (as defined in Aker Horizons' accounting policy) – taking into account an expected/estimated/observed capacity factor. The approach is based on the current draft of the GHG Protocol and may be updated in the future. This ambition encompasses the total emissions reduction relating to projects originated by Aker Horizons Group companies, before sell-downs. For other projects, Aker Horizons Group companies' pro rata share of the projects is applied.

The process for calculating emissions reduction has been developed on the basis of best practice and the current draft of the GHG Protocol for comparative emissions.

Avoided emissions from the production of renewable power

The assessment of avoided emissions involves calculating the difference in marginal emissions between the power produced and the local grid average, taking into account all lifecycle emissions.

Capacity factor for estimated production

Assessing avoided emissions involves taking into account what was actually produced, or could actually be produced, based on an expected/estimated/observed capacity factor. The capacity factors used for the calculations above are estimates across the portfolios per country, including all sites. The capacity factor further takes into account projected weather conditions on site, expected reliability of the substation and equipment (turbines/panels), electrical losses and so forth.

Lifecycle emissions

Since information about sources and the inclusion of lifecycle emissions for grid average factors is not always easy to find, the best practice for Aker Horizons' portfolio companies is to always use lifecycle analysis (LCA) emission factors for own products, and energy generation. Producing a kWh will have zero or close to zero emissions, which is why materials, production, distribution, use phase (repairs, etc.) and end-of-life emissions should be distributed as CO_2 per kWh for the expected total output of the unit throughout its expected lifetime. If no LCA calculation is available for the Company, Aker Horizons will refer to available studies. For this calculation, lifecycle emissions of 0.011 kg CO_2e per KWh produced from wind and 0.04 kg CO_2 per KWh produced from solar were assumed[23]. The LCA factor for solar power has been adjusted from the Aker Horizons 2021 Annual and Sustainability Report to more accurately reflect the emissions associated with solar PV.

Grid emission factors

For grid emission factors, the International Financial Institutions (IFI) Harmonized Framework approach and their standards for greenhouse gas accounting have been utilized, as recommended by the NPSI Position Paper on Green Impact Reporting. The factors in the table are drawn from the IFI Default Grid Factors v.3.1 dataset (published December 2021, revised January 2022). The emission factors are based on country-specific Combined Margins based on

[23] *National Renewable Energy Laboratory Life-Cycle Analysis Harmonized Factors, available at: https://www.nrel.gov/analysis/life-cycle-assessment.html*

a split between a 25 percent Build Margin and a 75 percent Operating Margin, as recommended for variable generation (such as wind and solar PV). The emission factors have been revised since the publishing of Aker Horizons' 2021 Annual and Sustainability report (where the 2022 IEA dataset for grid emissions per country was utilized for the calculation of avoided emissions), in order to align with best practice on impact reporting for Green Bonds.

Reduced emissions from carbon capture
For carbon capture, emissions reduction can be calculated as what can be called reduced emissions. This involves calculating the CO_2 emissions for an existing process, product or plant/unit, and the difference between a previous year's emissions and the most recent reporting year. Since this is a calculation comparing two years of emissions, there is no need to include any LCA for applied products or services (CCS equipment). This is only applicable for avoided emissions. Although it is necessary to include a capacity factor for renewables projects, there is no anticipated reduction from capacity to actual capture for carbon capture, provided that the process the carbon is captured from is running.

Taxonomy accounting policy

Taxonomy financial assessment

The key performance indicators (KPIs) presented in this report include Turnover, CapEx and OpEx for the reporting period 2022. The KPIs have been calculated according to Annex 1 of the Article 8 Delegated Act, and include Aker Horizons' consolidated share of taxonomy-eligible and taxonomy-aligned turnover, CapEx and OpEx in relation to total turnover, CapEx and OpEx. For further details on how the different KPIs have been calculated, please refer to the description under "Approach to classifying activities".

Turnover
The Turnover KPI has been calculated as the part of net turnover derived from taxonomy-eligible projects divided by the total net turnover. Total net turnover equals the external revenue according to the IFRS consolidated accounts.

CapEx
The CapEx KPI is defined as taxonomy-eligible capital expenditure (numerator) divided by total capital expenditure (denominator)

Denominator
The denominator in the CapEx KPI calculation is defined as all capitalized costs in the consolidated financial statements. The denominator in the CapEx KPI includes capitalized costs from the following IFRS standards (not an exhaustive list, only Aker Horizons-relevant standards have been included):

- IAS 16 – Property, plant and equipment
- IAS 38 – Intangible assets
- IFRS 16 – Leases

The CapEx denominator also includes additions to fixed and intangible assets resulting from business combinations (acquisitions of business).

Numerator
The numerator in the CapEx KPI includes total capitalized costs related to taxonomy-eligible assets during the year. Taxonomy-eligible assets means that the assets are associated with an activity that is covered by the taxonomy in the delegated acts (see "eligibility" above).

OpEx
The Opex KPI is defined as taxonomy-eligible operating expenditure (numerator) divided by total operating expenditure (denominator). It is important to point out that total OpEx in the OpEx KPI does not necessarily equal total OpEx from the consolidated financial statements, see more details below.

Denominator

The denominator in the Opex KPI shall include all direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditure relating to the day-to-day maintenance of fixed assets.

The denominator will typically include non-recognized research and development costs, costs related to short-term and low-value assets (i.e., lease costs not covered by IFRS 16), and maintenance and repair costs on fixed assets. General overhead costs shall not be included. Costs related to training are also excluded.

Numerator
The numerator in the OpEx KPI shall include the part of the denominator that is associated with taxonomy-eligible activities, direct non-capitalized research and development costs.

In addition to the KPIs as determined in accordance with Annex 1 of the Art 8 Delegated Act, Aker Horizons has also chosen to present additional KPIs for turnover, CapEx and OpEx on a voluntary basis. In the additional KPIs, the turnover, CapEx and OpEx have been calculated on a pro rata basis, corresponding to Aker Horizons' equity share of the different KPIs in both subsidiaries and joint ventures. A major part of the developments in taxonomy-eligible activities across the Group is invested through special purpose vehicles (SPVs). These are often accounted for using the equity method, as opposed to being included in the consolidated figures. The additional KPIs therefore help the users of its annual report to understand the full extent of Aker Horizons' taxonomy-eligible activities.

Approach to classifying activities

Eligibility. A Taxonomy-eligible activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation, regardless of whether that activity meets the technical screening criteria laid down in the respective acts. Similar, non-eligible activities are defined as the activities not described in the delegated acts.

Alignment. A taxonomy-aligned activity means an eligible economic activity that also complies with all of the technical screening criteria:

a. Substantial contribution: The economic activity contributes substantially to one or more of the environmental objectives
b. Do no significant harm: No significantly harm on any of the environmental objectives
c. Minimum safeguards: Compliance with the minimum safeguards
d. The activity complies with technical screening criteria in the delegated acts supplementing the Taxonomy Regulation

Aker Horizons and its portfolio companies have begun assessing activities on the basis of the current draft of the Taxonomy Regulation. In 2021, Aker Horizons chose to report on activities that are currently aligned, and activities that are "expected aligned". For 2022, projects that expect to be aligned within the next five years (as indicated by the allowance of Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe through a CapEx plan) are reported as aligned.

Early-stage projects that are too premature to claim alignment within the next five years or present a concrete roadmap to alignment, have been reported as not aligned. This does not mean that the projects themselves will not be aligned once developed, but simply that such an assessment will be carried out once they are more mature and it is possible to come to a conclusion.

SFDR Principal Adverse Impact Indicators

The Sustainable Finance Disclosure Regulation presents fourteen core indicators applicable to investments in investee companies. The approach to calculating the individual indicators, and the definitions provided, are drawn from the Template principal adverse sustainability impacts statement from Annex I to the Regulatory Technical Standards issued in April 2022 (C 2022 1931 Annex 1).

All investment values are as of 31 December 2022. The exchange rate used between NOK and EUR for investment value is as of 31 December 2022. The exchange rate used between NOK and EUR for revenue is the average exchange rate also applied in Aker Horizons' P&L.

The indicators are presented for the full portfolio.

When calculations at the portfolio level are weighted, this is done on the basis of the share of the individual investment in the total portfolio (current value of investment divided by the current value of total investments). Where data has not been received from all investee companies, the current value of total investments has been adjusted accordingly (so remaining investee companies carry a larger proportion of the total investments each).

In some instances, data was not available for all portfolio companies. In this case, the indicators have been weighted accordingly. The table indicates the percentage of portfolio data coverage.

Details of how each individual indicator was calculated is provided below.

Indicator 1: GHG emissions
Greenhouse gas emissions were calculated as the sum of Aker Horizons' equity share of each investee company's GHG emissions (scopes 1, 2, 3 and total). This was done in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i}\times investee\ company's\ Scope(x)\ GHG\ emissions_i\right)$$

Indicator 2: Carbon footprint

Carbon footprint was calculated as the total GHG emissions (from Indicator 1) divided by the current value of all investment in EUR million. This was done in accordance with the following formula:

$$\frac{\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{investee\ company's\ enterprise\ value_i}\times investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i\right)}{current\ value\ of\ all\ investments\ (€M)}$$

Indicator 3: GHG intensity of investee companies
The GHG intensity of investee companies was calculated as the ratio between each of the investee companies' total GHG emissions (from Indicator 1) and weighted by the share of the individual investment in the total portfolio. This was done in accordance with the following formula:

$$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{current\ value\ of\ all\ investments\ (€M)}\times\frac{investee\ company's\ Scope\ 1,2\ and\ 3\ GHG\ emissions_i}{investee\ company's\ €M\ revenue_i}\right)$$

Indicator 4: Exposure to companies active in the fossil fuel sector
Here, investee companies have been classified as active or not active according to the definition provided in the draft Regulatory Technical Standards. The portfolio-level total value is weighted by each investee company's' share in the total portfolio.

Indicator 5: Share of non-renewable energy consumption and production
This indicator describes the share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage.

The draft Regulatory Technical Standards do not provide a clear calculation method for this indicator. Aker Horizons' approach was to collect data on GWh for all energy consumption and production, broken down by renewable and non-renewable. This was adjusted to Aker Horizons' equity share, and added together to reach portfolio-wide consumption and production. Then, the

the non-renewable production and consumption were added together, and divided by total production and consumption.

This differs from the calculation method in 2021, when data was collected in percentages from portfolio companies (each company's individual share of non-renewable energy consumption and production), and consolidated on a financial basis. This is thus presented as two separate figures - one weighted average for production and one for consumption. The portfolio-level total value was weighted by each investee company's' share in the total portfolio. Further guidance on this approach for future reporting may lead to adaptations in the calculation method.

Indicator 6: Energy consumption intensity per high-impact climate sector
This indicator describes energy consumption in GWh per million EUR of revenue in investee companies, per high-impact climate sector. First, investee companies were classified according to whether they are considered high-impact climate sectors. This is considered to be the case for all of Aker Horizons' investments. Because of the limited amount of sectors represented through Aker Horizons' portfolio companies, no segmentation across sectors has been made. Then, an intensity measure per company was calculated as energy consumption divided by million EUR of revenue. Finally, this was then weighted at the portfolio level by multiplying the individual intensity values by the share of each investee company in the total portfolio.

Indicator 7: Activities negatively affecting biodiversity-sensitive areas
This indicator describes the share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas, where the activities of those investee companies negatively affect those areas.

Here, Aker Horizons' portfolio companies were asked to provide information on the number of operational sites owned, leased or managed in or adjacent to biodiversity-sensitive areas, and the share of those areas covered by effective measures for preserving biodiversity. If any companies reported having sites in biodiversity-sensitive areas that were not covered by effective measures, this is considered as negatively affecting those areas. The portfolio-level total value is weighted by each investee company's' share in the total portfolio.

Indicator 8: Emissions to water
This indicator describes the tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average. Here, an intensity measure per company was calculated as emissions to water divided by million EUR invested. Then, this was weighted at the portfolio level by multiplying the individual intensity values by the share of each investee company in the total portfolio.

Indicator 9: Hazardous waste ratio
This indicator describes the tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average. Here, an intensity measure per company was calculated as tonnes of hazardous waste divided by million EUR invested. Then, this was weighted at the portfolio level by multiplying the individual intensity values by the share of each investee company in the total portfolio.

Indicator 10: Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
This indicator describes the share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Here, investee companies have been classified according to whether they have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. The portfolio-level total value is weighted by each investee company's' share in the total portfolio.

Indicator 11: Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
This indicator describes the share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises, or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. Here, investee companies have been classified according to whether they lack policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises, or grievance/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises. The portfolio-level total value is weighted by each investee company's' share in the total portfolio.

Indicator 12: Unadjusted gender pay gap
This indicator describes the average unadjusted gender pay gap in investee companies. The ratio is based on average salary in the organization regardless of employment level, including the CEO, and is calculated as the difference between average male and female annual base salary expressed as a percentage of average male annual base salary. The portfolio-level total value is weighted by each investee company's' share in the total portfolio.

Indicator 13: Board gender diversity
This indicator describes the average ratio of female to male board members in investee companies. The portfolio-level total value is weighted by each investee company's' share in the total portfolio.

Indicator 14: Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
This indicator describes the share of investments in investee companies involved in the manufacture or sale of controversial weapons. Here, investee companies have been classified according to whether they have been involved in the manufacture or sale of controversial weapons. The portfolio-level total value is weighted by each investee company's' share in the total portfolio.

Company Sustainability Summary Guide

This section serves as a guide for how to read the Company sustainability summaries, and the reasoning behind what has been included on the individual pages.

The company sustainability summaries give a detailed status on the Aker Horizons Group companies' progress on key areas such as corporate purpose, sustainability governance and highlights, diversity, external commitments, ESG implementation and management. If definitions are based on specific frameworks or pieces of legislation, this will be specified. Otherwise, they are based on Aker Horizons' own view grounded in experience and competence in the area of ESG.

Corporate purpose, governance, and sustainability highlights

The qualitative section highlights corporate purpose, governance and sustainability highlights. Corporate purpose is an important top anchor for companies. Employees value working for companies with a purpose greater than financial profitability. Aker Horizons aims to create awareness around its importance as a driver for sustainable business practice and its attractiveness as a workplace. Sustainability governance is important to ensure accountability, integration across businesses and reporting. Sustainability highlights is a way to enable companies to communicate key focus areas and progress made in the past year.

Diversity

Gender diversity represents one of several important dimensions of diversity and equal representation and opportunity. Norwegian companies are subject to legal requirements to both have active measures to promote and also subsequently report on gender balance. Publicly-listed companies in Norway must also ensure gender representation at the board level. Aker Horizons finds gender equality at all levels in the organization to be an important objective and aims to achieve a 40/60 gender balance, equivalent to the legal requirement for board representation in the Public Limited Liability Companies Act.

External commitments and the UN Sustainable Development Goals

Signing up to external commitments sends a strong signal of commitment. The UN Sustainable Development Goals (SDGs) are the world's shared goals for a sustainable future. Aker Horizons has identified eight priority SDGs where the Company can exert the greatest positive impact. Aker Horizons also encourages companies to identify and work towards relevant SDGs, not only as a means to contribute to sustainable development, but also to reduce risk, identify opportunities and shape a meaningful sustainability agenda.

ESG performance summary table

The summary table highlights key topics across the four overarching themes of the WEF Measuring Stakeholder Capitalism Framework: Planet, People, Prosperity and Governance. Here, it is highlighted with a tag whether the topics are covered by the companies' policies (P), targets (T), strategy (S) and reporting (R). Aker Horizons does not expect companies to cover all topics, merely those that are material. In addition, one key quantitative indicator is highlighted on the summary page. Additional indicators per company can be found in the Full ESG performance metrics in the appendix.

Further information on how selected ESG indicators in the performance summary table were defined:

- Pay equality gap is is based on the average salary in the organization regardless of employment level, including the CEO, and is calculated as the difference between average male and female annual base salary expressed as a percentage of average male annual base salary.
- TRIF is based on the sum of fatalities, lost time incidents, and medical treatment incidents. Mainstream Renewable Power also includes First Aid Cases in TRIF figures, but they have not been included in the table for comparability.
- R&D expenditure is here defined as all direct non-capitalized cost related to research and development. Capitalized cost related to research and development is not included here, but may also be considered in total R&D expenditure.
- Total taxes paid is defined as the total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.
- Employee wages and benefits are defined as total payroll (including employee salaries and amounts paid to government institutions on behalf of employees) plus total benefits (excluding training, costs of protective equipment or other cost items directly related to the employee's job function). Amounts paid to government institutions on behalf of employees can include employee taxes, levies and unemployment funds.

Board of Directors

Effective boards benefit from diversity of thinking, which can be generated by diversity in gender, background, education, experience and expertise. Boards should demonstrate appropriate ESG capabilities. A corporate sustainability policy should be approved by the company's board, and sustainability should be formally incorporated in the responsibilities of the board.

Sustainability policy

- Policy approved by the Board of Directors
- Policy in place but not approved by the Board
- Policy in progress or not in place

Formalized responsibility

- Formalized responsibility on sustainability in place
- Formalized responsibility on sustainability in progress
- Formalized responsibility on sustainability not in place

ESG competence

- Min. one member with in-depth ESG competence
- Board has a general good ESG competence
- ESG competence of Board in progress (e.g. training)

ESG implementation

To ensure integration of ESG, certain elements are of particular value to drive performance and progress. Therefore, Aker encourages forward-looking time-bound ambitions on material areas, a strategy for reaching targets and transparent reporting on corporate progress towards these ambitions.

Targets

- Three or more forward-looking targets in place
- One forward-looking target in place
- Forward-looking targets in progress

Strategy

- Three or more strategies in place to reach target
- One strategy in place to reach target
- Strategy in progress

Reporting

- Reporting on three or more areas material to the company
- Performance reporting on material issue
- No performance reporting on material topic

ESG management

Good ESG management includes important elements such as materiality assessments, based on what are material aspects both to the company and other stakeholders. Regular ESG risk and opportunity monitoring helps to mitigate material risks and seize opportunities. ESG risk management in supply chains includes having a business partner code of conduct and subsequent monitoring to mitigate adverse impacts.

Materiality assessment

- Regular materiality assessment performed (min. annual)
- Materiality assessment performed once
- Materiality assessment in progress

ESG risk management

- Regular risk and opportunity monitoring (min. annual)
- Risk and opportunity assessment performed
- Risk and opportunity monitoring in progress

Supply chain monitoring

- Regular supply chain monitoring in place
- Business partner Code of Conduct in place
- Business partner Code of Conduct in progress

Appendix

Full ESG Performance Metrics

Planet	Unit	**Aker Horizons**	**Aker Carbon Capture**	**Mainstream Renewable Power**
Commitments				
Climate emissions: Net zero commitment (or more ambitious)	Y/N	Y	Y	Y
Has as a formal initiative to front a Net Zero Commitment on climate been joined? (E.g. the Race to Zero, commitment to the SBTi)	Y/N	Y	Y	Y
Concrete, quantified, time-bound targets for GHG emissions reductions	Y/N	Y	Y	Y
Approved Science-Based Targets in place	Y/N	N	N	N
Biodiversity and deforestation: Targets on avoiding, mitigating and addressing biodiversity impact with an ambition of Net Zero impact	Y/N	N	N	Y
Has a formal initiative to front a Net Zero Commitment on biodiversity been joined?	Y/N	N	N	N
Zero waste: Targets on circularity and resource usage, with a Zero Waste ambition	Y/N	N	Y	Y
Has a formal initiative to front a Net Zero Commitment on waste been joined?	Y/N	N	N	N
Freshwater: Targets on minimizing impact on water and marine resources, and a Net Zero freshwater impact	Y/N	N	N	N
Has a formal initiative to front a Net Zero Commitment on water been joined?	Y/N	N	N	N
Greenhouse Gas Emissions				
Scope 1 emissions	Tonnes CO2e	0	1	771
Scope 2 emissions - location-based	Tonnes CO2e	5	82	5,490
Scope 2 emissions - market-based	Tonnes CO2e	120	15	5,555
Scope 3 emissions - location-based[24]	Tonnes CO2e	386	18,219	2,851
Scope 3 emissions - market-based[25]	Tonnes CO2e	386	18,223	2,851
Co2e "offset" through offsetting mechanisms, nature-based solutions and/or carbon removal technologies	Tonnes CO2e	0	0	0
Unit of solution utilized for offsetting (e.g. capture/removal/nature-based capacity restored)	N.A.	—	—	—

[24] *Not the same Scope 3 categories have been considered across the companies*
[25] *Not the same Scope 3 categories have been considered across the companies*

Energy				
Non-renewable energy consumption	MWh	9	88	6,261
Renewable energy consumption	MWh	587	693[26]	0
Non-renewable energy production	MWh	0	0	0
Renewable energy production	MWh	0	0	3,503,203
Biodiversity				
Land occupation from own and portfolio companies operations (hectares)	Hectares	1,167	—	637,551
Number of operational sites owned, leased or managed in or adjacent to protected areas and/or biodiversity-sensitive areas	# sites	0	0	N/A
Area (in hectares) of operational sites owned, leased or managed in or adjacent to protected areas and/or biodiversity-sensitive areas	Hectares	0	0	N/A
Only for companies with sites/operations located in or near to biodiversity-sensitive areas: Do any of the activities negatively affect those areas?	Y/N	N	N	N/A
Sites/operations that affect threatened species (IUCN Red List)	Y/N	N	N	N/A
Conservation/reforestation efforts - value	Value (unit defined below)	N	—	N/A[27]
Denominator of biodiversity offsets value (land area concerned, protection/restoration, duration of protection, other properties of area)	N.A.	N	0	Y
Water				
Sites/operations located in areas of high or extremely high baseline water stress (according to WRI Aqueduct water risk atlas tool)	Y/N	N	N	N/A
Report for operations where material, mega liters of water withdrawn	Mega liters	1	2	54
Report for operations where material, percentage of water withdrawn in regions with high or extremely high baseline water stress	% high water stress	0	0	In progress
Water protection/replenishment efforts - value	Mega liters	N/A	—	N/A
Denominator of water replenishment value (type of water area concerned, other properties)	N.A.	N/A	—	N/A
Pollution				
Emissions to water	Tonnes	0	0	0[28]
Waste				
Hazardous waste generated	Tonnes	0	0	46

[26] Limited to HQ offices in Norway
[27] In 2022, Mainstream launched a fundraising activity for mangrove restoration in Vietnam's Soc Trang province, together with the British Embassy in Vietnam and the Song Foundation's Green Happiness Program. For further information, see Mainstream's website and 2022 Sustainability Report (soon to be published at the time of publication for Aker Horizons' Annual and Sustainability Report 2022).
[28] Mainstream did not collect this data in 2021, but this is expected to be very limited and is in scope for future reporting.

Total waste - tonnes	Tonnes	11	20	5,876
Non-recycled waste - tonnes	Tonnes	4	7	826
Non-recycled waste - proportion of all waste generated	% non-recycled waste	36	35	14
Recycled waste - proportion of all waste generated	% recycled waste	64	65	86
Climate risk				
Has a TCFD-assessment been undertaken, disclosed and updated in the last two years?	Y/N	Y	Y	Y

People	Unit	**Aker Horizons**	**Aker Carbon Capture**	**Mainstream Renewable Power**
Diversity/employees[29]				
Own employees: Total (FTE)	# employees (FTE)	94	114	711
Own employees: Total (HC)	# employees (HC)	94	117	715
Contractors	# contractors (FTE)	22	17	126
Own employees: Permanent	# employees (FTE)	93	113	
Own employees: Temporary	# employees (FTE)	1	1	
Own employees: Full-time	# employees (FTE)	94	113	707
Own employees : Part-time	# employees (FTE)	0	1	4
Own employees: Men (absolute)	# men (HC)	64	82	447
Own employees: Men (percentage)	% men (HC)	68	70	63
Own employees: Women (absolute)	# women (HC)	30	35	268
Own employees: Women (percentage)	% women (HC)	32	30	37
Executive management: Women (percentage)	% women (HC)	50	43	40
Executive management: Men (percentage)	% men (HC)	50	57	60
Management excluding executive management: Women (percentage)	% women (HC)	28	29	32
Management excluding executive management: Men (percentage)	% men (HC)	72	71	68

[29] *During 2022, Aker Horizons introduced four gender options in its systems and reporting; male, female, other* (*gender specified by the employees themselves) and not disclosed. No other genders than male and female were reported, and are therefore not included in the table*

Employees under 30 years (absolute)	# under 30 (HC)	7	9	92
Employees under 30 years (percentage)	% under 30 (HC)	7	8	13
Employees between 30-50 years (absolute)	# 30-50 (HC)	66	68	519
Employees between 30-50 years (percentage)	% 30-50 (HC)	70	58	75
Employees over 50 years (absolute)	# over 50 (HC)	21	40	80
Employees over 50 years (percentage)	% over 50 (HC)	22	34	12
Number of different nationalities amongst employees	# nationalities	22	18	37
Pay equality women to men (average salary in the organization regardless of employment level), expressed as the difference in payment as a percentage of men's salary	% pay gap	32	7.4	N.A./In progress
Ratio of CEO's total annual compensation to median total annual compensation of all employees (excluding the CEO): CEO salary/Median salary excl. CEO	Ratio	4.62	3.6	9
Average hours of training per person that the organization's employees have undertaken during the reporting period - total	Hours	72.25	34	56
Employee participation in employment satisfaction survey (% of total)	%	92	72	98
Employee satisfaction level (%) (based on survey)	%	74	Not measured in %	88
Health and Safety				
Fatalities among own employees - absolute	# incidents	0	0	0
Fatalities among own employees - rate per million hours worked	Rate	0	0	0
Fatalities among contractors - absolute	# incidents	0	0	0
Fatalities among contractors and hired-ins - rate per million hours worked	Rate	0	0	0
Lost time injuries (LTI/LTIF) among own employees - absolute	# incidents	0	0	3
Lost time injuries (LTI/LTIF) among own employees - rate per million hours worked	Rate (LTIF)	0	0	2.54
Lost time injuries (LTI/LTIF) among contractors - absolute	# incidents	0	0	6
Lost time injuries (LTI/LTIF) among contractors - rate per million hours worked	Rate (LTIF)	N.A.	0	2.33
Medical treatment cases (MTC/MTCF) among own employees - absolute	# incidents	1	0	0
Medical treatment cases (MTC/MTCF) among own employees - rate per million hours worked	Rate (MTCF)	7.6[30]	0	0
Medical treatment cases (MTC/MTCF) among contractors - absolute	# incidents	0	0	3
Medical treatment cases (MTC/MTCF) among contractors - rate per million hours worked	Rate (MTCF)	N.A.	0	1.31
Recordable work-related injuries (TRI/TRIF) among own employees - absolute	# incidents	1	0	3

[30] *Calculated on the basis of Aker Horizons Asset Development's working hours only*

Recordable work-related injuries (TRI/TRIF) among own employees - rate per million hours worked	Rate (TRIF)	7.6[31]	0	2.54
Recordable work-related injuries (TRI/TRIF) among contractors - absolute	# incidents	0	0	9
Recordable work-related injuries (TRI/TRIF) among contractors - rate per million hours worked	Rate (TRIF)	N.A.	0	8.96
Sickness absence (%)	% sick leave	1.29	1.27	
Human rights				
Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Y/N	N	N	N/A[32]
Processes and compliance mechanisms to monitor compliance with UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (Yes/No).	Y/N	Y	Y	Y
Total percentage of employees who have received human rights training and/or training on the organization's human rights policies and procedures	%	61	62	90

Prosperity	Unit	Aker Horizons	Aker Carbon Capture	Mainstream Renewable Power
Economic contribution				
Direct economic value generated and distributed (EVGandD) – on an accrual basis, covering the basic components for the organization's global operations - Employee wages and benefits	NOK million	235.8	152.1	655.3
Total costs related to research and development	NOK million	225.5	55.8	271.8
The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company	NOK million	159.9	46.8	98.9
Job creation				
Jobs created (difference between permanent own employees last year and current year)	# employees (HC)	14	38	180
Leavers (everyone who have left the organization during the year)	# employees (HC)	16	12	67
Turnover (percent - leavers divided by number employees at the end of the year	%	17	10	9

[31] *Calculated on the basis of Aker Horizons Asset Development's working hours only*
[32] *A comprehensive assessment of performance against minimum social safeguards is currently under development*

Governance	Unit	Aker Horizons	Aker Carbon Capture	Mainstream Renewable Power
Ethical conduct, integrity and anti- corruption training				
Total percentage of governance body members who have received training on the organization's ethical conduct, integrity and anti-corruption policies and procedures	%	0	0	100
Total percentage of employees who have received training on the organization's ethical conduct, integrity and anti-corruption policies and procedures	%	88	100	100
Total percentage of business partners who have received training on the organization's ethical conduct, integrity and anti-corruption policies and procedures	%	0	0	N/A
Compliance with laws and regulations				
# of legal proceedings associated with corruption, fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, other economic crime, malpractice or violations of other related industry laws or regulations that ended with a penalty	# proceedings	0	0	0
Board composition				
Total amount of board members	# board members	5	7	6
Female (or other gender minority) board members - number	# female directors	2	4	1
Female (or other gender minority) board members - percent	% female directors	40%	57%	17%
Board members with executive positions in the company - number	# directors with exec. positions	0	0	3
Independent board members - number	# independent directors	3	5	0
Stakeholder board members - number	# stakeholder directors	0	Not available	6
Board members aged below 50 - number	# directors 30-50	0	2	2
Board members aged over 50 - number	# directors over 50	5	5	4
Board meetings				
Number of board meetings held	# meetings	10	8	6
Directors average meeting attendance (%)	%	90	92	88
Other				
Is a system in place for monitoring stakeholder engagement?	Y/N	N	N	Y
Is there a grievance mechanism in place and available to external stakeholders?	Y/N	Y	Y	Y
Has board oversight of the compliance program been implemented, with regular reporting to the Board or a designated board committee?	Y/N	Y	Y	Y
Has a program been implemented to manage third party integrity risks, which sets requirements to IDD, audits and monitoring?	Y/N	Y	Y	Y

GRI Content Index

Statement of use	Aker Horizons has reported the information cited in this GRI content index for the period of 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
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Stakeholder Engagement

During 2022, Aker Horizons engaged in ongoing dialogues with a broad spectrum of relevant stakeholders. The table below presents an overview of the various stakeholder groups, the type of engagement and the prioritized topics Aker Horizons focused on. The overview shows only Aker Horizons' own stakeholder engagement. For information on Mainstream Renewable Power and Aker Carbon Capture's stakeholder engagement, please see the companies' respective sustainability reports.

Stakeholder group	Why Aker Horizons engages	How Aker Horizons engages	Stakeholders' key ESG priorities in 2022
Investors/ owners	• Provide accurate, comprehensive and timely information about the company • Contribute to the formation of a good basis for financial market participants to make decisions related to the valuation and trade of Aker Horizons' share	• Annual General Meeting • Board meetings • Press releases, analyst calls, conferences, investor roadshows and meetings • Quarterly presentations • Investor relations and ad hoc engagement meetings	• Mitigating climate change through the scaling of green solutions, • ESG challenges in the supply chains of green companies, especially raw materials • Land use challenges and biodiversity impacts • Responsible business conduct • Good governance, including ensuring that all members of the Board of Directors are well-versed and competent in sustainability matters, and have experience in addressing the interests of broader stakeholder groups • Sound materiality assessment to identify topics of financial and impact materiality • Transparent reporting, which highlights challenges as well as opportunities • General concerns around external factors that may slow the roll-out of renewables, CCS, hydrogen and green industry
Partners	• Build partnerships to accelerate the development of functioning commercial models, e.g. with suppliers, customers, co-owners, JV partners and technology providers	• Direct interaction with actual and potential partners through meetings, negotiations • Engagement with potential partners in industries at conferences, panel debates, etc.	• Reaching own sustainability ambitions within decarbonization, contributing to the expansion of green solutions • Industrial credentials important in the selection of partners • Governance high on the agenda for co-owners/JV partners • Transparent and responsible business conduct
Governments	• Share knowledge, showcase available technology solutions to reduce emissions and enable the energy transition • Contribute to accelerating the formulation and implementation of effective policy responses to climate change and energy security concerns • Communicate the need for efficient support schemes for solutions that are dependent on government support during an introductory phase	• Direct dialogue with key stakeholders, both nationally and locally • Contribution to public hearings • Company reporting, in line with emerging national and international regulations on sustainability performance and governance reporting • Indirect engagement through industry associations, participation at conferences and seminars, etc. For further information, see the section on Public policy engagement.	• Developing policies that speed up the deployment of solutions needed for the green transition • Considering international markets and policy developments when designing national policies and support schemes • Strengthening sustainability-related reporting, including standardization; currently particularly focused on greenhouse gas emissions. climate risk, human rights, diversity; emerging focus on biodiversity

Suppliers	• Develop an understanding of the value chains required for new climate technologies and industries • Map capabilities, capacities, risks and offerings and how they fit with Aker Horizons' needs when developing new assets • Engaging with key suppliers early in the process, aligning strategic priorities	• Regular direct dialogue, tender processes and contract awards • Top management engagement to understand strategies and priorities	• Strategic positioning for suppliers in the green transition - contributing to reaching Net Zero, increasing their proportion of revenue coming from "green projects" • Early-stage dialogue means that more concrete ESG topics are expected to be raised in the future
Employees	• Attracting, retaining and developing the right in-house talent • Informing measures as a responsible employer that wishes to develop and maintain a safe and healthy work environment, and promote equal opportunities	• Employee engagement surveys • Training and coaching • Regular job appraisals • Engagement with safety delegates • Internal communication channels • Staff meetings	• Contributing to Aker Horizons' mission of reducing greenhouse gas emissions and promoting sustainable living, while creating value over time • Flexible working hours and work-life balance • Personal development and knowledge building
Local communities	• Building mutual trust as a foundation for developing projects • Understanding needs and expectations to create long-term value • Obtaining a social license to operate	• Regular engagement on a project-by-project basis • Meetings and calls • Conferences • Media engagement and public relations activities For further information, see the section on Local communities.	• Job creation • Local value creation • Retaining and attracting more people to work and live in communities • Support for local initiatives, e.g. culture and welfare
NGOs, civil society, industry Groups	• Building support and social acceptance for Aker Horizons' projects and activities • Coordinating policy input with other industry and civil society actors	• Participation at conferences and seminars • Participation in industry associations • Direct engagement on topics of common interest For further information, see the section on Public policy engagement.	• Mitigating climate change through the scaling of green solutions • Building broader coalitions for climate action • Green industry development • Concern for biodiversity and the social impact of green industry
Banks	• Ensuring a good understanding of which ESG factors and requirements are considered in decision-making processes	• Meetings and ongoing communication	• Mitigating climate change through the expansion of green solutions • Land use and biodiversity • Raw materials sourcing • Governance, including anti-corruption • Transparency
Media	• Exercising thought leadership on topics associated with the green transition • Raising awareness, understanding and support for Aker Horizons' technology solutions and projects • Reaching broader groups of stakeholders - including but not limited to shareholders, national and local authorities, lenders and commercial partners, NGOs	• Interviews • Op-eds • Conference attendance • Quarterly presentations • Press releases • Social media	• Aker Horizons' industrial plans for specific regions and local community development • Progress on scaling green solutions

TCFD Assessment

Governance		
1	**Describe the board's oversight of climate-related risks and opportunities.**	Aker Horizons has active board oversight of climate-related risks and opportunities, and climate risk is part of the Board of Directors' Audit Committee's mandate. The Audit Committee members are specially qualified and have been selected with their sustainability credentials in mind, in addition to financial, risk and audit expertise. The mandate requires management to, once per year, present the climate-related financial analysis, the sustainability and climate risk materiality and stakeholder analysis and mitigating actions to the Audit Committee for their review. Further, the Audit Committee is mandated to review both financial and ESG reporting, and oversee systems for the management of risk. The 2021 Taskforce on Climate-related Financial Disclosures (TCFD) review - including both the disclosures and the process for establishing the disclosures - was presented to and reviewed by the Audit Committee. The recommendations provide the basis for a deepened understanding of climate-related financial risks, and will guide the company strategy to build resilience around climate-related risks. To ensure a unified Enterprise Risk Management (ERM) process, Aker Horizons has developed, across the portfolio companies, a process and a template for ERM that includes climate-related risks (further details in Disclosure 6). The results of ERM assessments are quarterly presented to, and considered by, the Board. Beyond designated risk reviews, the Board always addresses climate-related risks and opportunities when evaluating potential new investments for the Company's portfolio and considers whether they are within Aker Horizons' planet-positive mandate. Aker Horizons is currently working on further formalization and systematization of climate-risk assessments as part of this process. The Board of Directors is also responsible for approving of the Sustainability Policy that governs environmental aspects of Aker Horizons own performance, investment decisions, as well as Aker Horizons' role as an owner of all portfolio companies. Climate risk is an integral part of this policy. The Board of Directors also approves the Annual and Sustainability Report, including the TCFD disclosures (as described in the Board of Director's Report). Finally, the Board is involved in establishing management incentive schemes through the Remuneration Committee. Aker Horizons' incentives provided for management are inherently intertwined with climate-related issues, including taking successful steps towards the expansion of solutions within renewables and decarbonization of industry, through investments as well as organic growth and project development. Successfully identifying and executing such opportunities requires close consideration to ensure they are that they are commercially viable under emerging climate-related regulatory, market and technological developments. Aker Horizons' commercial targets include concrete ambitions on investments in green solutions, GW power capacity, and avoided emissions. The incentive scheme applies to all employees to a varying degree. For employees in executive and other key positions, such as the CEO, CFO and Investment Director, the general incentive scheme is accompanied by individualized targets associated with the commercial objectives. The Board annually reviews if Aker Horizons' management incentives are sufficiently linked to climate-related risks and opportunities and the guidelines for executive compensation will be presented for approval by shareholders at the Annual General Meeting in 2023. The risk assessment and oversight process are further described in the annual Corporate Governance Report.
2	**Describe management's role in assessing and managing climate-related risks and opportunities.**	Aker Horizons' management performs quarterly enterprise risk assessments of the Company and across the portfolio. Climate-related risks and opportunities are integrated in the regular risk review of the portfolio, which is presented to the Aker Horizons' CEO and CFO. Contributors to the quarterly risk review includes key functions within Sustainability, Compliance, Investments, Legal, Treasury and Finance. The overall management of climate-related risks and sustainability in Aker Horizons is ensured by the Sustainability Director, supported by other relevant functions. The Sustainability Director is also responsible for supporting portfolio companies in their pursuit of their climate ambitions. Aker Horizons is continuously working on improving the consistency of portfolio companies' climate-related risk assessments and the quality of information flowing to the executive management (see further details in Disclosure 6). Management actively seeks input on climate-related assessments of investment opportunities. It is a priority to enhance the integration of climate-related risk assessments in the various stages of the investment process. In 2022, there was a continued focus on capacity-building around climate-related risks and opportunities across the management group, and increased collaboration on this topic across relevant functions (Finance, Sustainability, Risk and Research and Market Analysis). As described under Disclosure 1, incentives provided for management are inherently intertwined with climate-related issues, including taking successful steps towards the expansion of solutions within renewables and decarbonization of industry, through investments as well as organic growth and project development. Successfully identifying and executing such opportunities requires close consideration to ensure they are that they are commercially viable under emerging climate-related regulatory, market and technological developments.

Strategy		
3	**Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.**	**Summary and backdrop for the 2022 climate risk assessment** Overall, climate-related financial risk for Aker Horizons is considered to be low. At an overarching level, the main transition risk faced is that the transition to a Net Zero world will be too slow or with insufficient magnitude because this is the very foundation of Aker Horizons' business and strategy. In 2022, Aker Horizons conducted an exercise to identify how the outlook to reach the International Energy Agency's Net Zero Emissions (NZE) scenario has been impacted by events over the past year, and considered how this affects Aker Horizons. This has shed light on some of the nuances of transition risk, which may have an impact on Aker Horizons. 2022 saw an increase in new policy announcements, leading to a narrowing of both the ambition gap and the implementation gap. The first is exemplified through policies and pledges not yet fully implemented, such as REPower EU and the strengthening of national climate contributions. The second is exemplified through strong policy packages already implemented, such as the US Inflation Reduction Act and measures in China's 14th five-year plan. This is generally an encouraging development towards reaching the NZE scenario. While there was a surge in new climate policy announcements in 2022, market risk increased, which may limit or delay the impact of policies, coupled with a rise in novel challenges relating to the speed of implementation. Succeeding with the energy transition requires a massive growth in energy generation assets, but also substantial investments in transmission and storage systems. Inadequate policy design and a non-synchronized development may delay the overall speed of the transition. Regional variations in ambition and implementation speed also pose the risk of capital and resources being incorrectly allocated. In terms of physical risk, there will be risk associated with physical assets prone to the effects of extreme weather or chronic climate change, which must be managed. Below, a more detailed account of Aker Horizons' climate-related risks and opportunities is presented. **Policy** In 2022, there has been a strong policy push. It is expected that substantial developments will take place in climate-related incentives and regulations that will increase demand for low carbon products and services offered by Aker Horizons and its portfolio. Nonetheless, concrete risks remain associated with regulations and public policy. The first and main risk concerns governments acting too slowly or doing too little, since many projects will be fully dependent on some form of government support during an introductory phase. This may be through subsidies (e.g. through the EU Innovation Fund), carbon pricing, contracts of difference, or other active industrial policies. This is crucial for driving down costs and new technologies and value chains becoming commercially viable. Also, unpredictable policy implementation may cause delays and generally presents an obstacle for scaling up of solutions. With the recent tailwinds of policy implementation, new issues connected to the speed of implementation have surfaced. Succeeding with the energy transition requires a close to complete reset of the current global energy system. Moving from a hydrocarbon-based energy system to a low-carbon energy system will not only require a massive growth in energy generation assets but also substantial investments in infrastructure for hydrogen transport and distribution, as well as investments in electricity transmission and storage systems at both grid level and locally. In most cases, grid and permitting issues are a governmental responsibility, while generation assets are held by corporates. This prompts a need for constructive public-private cooperation. There is risk that non-synchronized development will delay the overall speed of the transition. Permitting delays and physical grid connection constraints are examples of the concrete risks faced. Aker Horizons experienced transitional risk related to market design in Chile, where market design and transmission system remain dislocated, with operators exposed to an unfavorable differential in price between injection and withdrawal. For further information, see Financials and Notes, Note 26. Furthermore, a strong policy push is not uniform across all world regions, which constitutes a risk for individual actors. This is particularly the case for producers of globally tradable commodities, such as hydrogen, ammonia or steel. Energy cost is, and will continue to be, a major differentiator in the competitiveness of countries' energy-intensive industry sectors – and contributes to very different starting points for energy and climate policies. All else equal, regions with high energy prices will have a stronger incentive for investments in energy supply while investment in processes that require energy input such as production of hydrogen and green steel, will be require more policy support than in regions with lower prices. With shifting energy markets, and great variation in the ambition and concreteness of climate and industrial policy, there is a risk for individual industry actors associated with tying up capital or production capacity in locations that may eventually have higher costs or less favorable support schemes. For further information on the risks and opportunities of public policy, and Aker Horizons' work in this area, see the section on Public policy engagement.

3	**Cont.**	**Market** Businesses involved in the development of green energy and green industry experience significant demand for renewable energy and decarbonization solutions across multiple industries, but are reliant on a well-functioning market for their input factors as well as for their solutions. Also, policies rely on a set of assumptions on how they translate into the real economy. Over the past year, there has been a sharp increase in market risks that affect these assumptions, including inflation, supply chain disruptions and interest rate hikes. For renewables to grow at a pace needed to both secure supply security and at the same time displace hydrocarbon-based energy production and consumption, project returns need to be at a level that incentivizes corporates to invest. During the past 12 to 18 months, the renewables industry has experienced a significant deterioration in project returns following an unprecedented increase in funding cost and input cost, such as PV panels and turbines, which has led to a slowdown in the growth in investment decisions. An increase in the levelized cost of energy for renewables projects, like that observed over the last 18 months, will result in less investments unless there is a response in power and/or PPA price that rebalances the return profile to a level that incentivizes corporates to invest. Simultaneously, supply chain issues that have resulted in delayed construction of renewables assets have further exposed risk related to fulfillment of commitments under long term offtake agreements. Another market risk is the fact that supporting physical infrastructure for green technologies is not fully in place, e.g. grid infrastructure, pipelines, storage, batteries, etc. Finally, for the green shift to succeed, customers' behavior must also change. However, their ability to shift to new technologies (i.e., hydrogen, ammonia, carbon capture) is yet to be proven in many industries. **Technology** From a technology perspective, the first-mover challenge involves risks of write-offs or stranded assets. There is also a risk of under- or over-investing due to immature technologies and rapid technological development. In terms of opportunities, increased demand may be expected for the technologies Aker Horizons is invested in if the companies succeed in investing in and scaling attractive technologies and solutions compared to peers. **Reputation** From a reputational perspective, there is a risk of being identified with (or not distinguished from) the oil and gas related operations of the wider Aker group. At a general industry level, there has been negative attention linked to adverse impacts from renewable energy production and its supply chain, as well as conflicts with local communities. However, being a green investment company (providing amongst other solutions for CO_2 emission reduction) is generally deemed to have a significant a positive impact on reputation, including recruitment. Further, engagement with and the involvement of local communities in the vicinity of renewables projects represents an opportunity to identify potential areas of conflict early, reduce adverse impacts, and thus also reduce reputation risk. Taking steps to build a reputation as a responsible investor/developer also from a climate risk perspective, represents a significant opportunity for Aker Horizons and the portfolio companies. **Legal** Legal risk, understood as lawsuits, litigation, etc., associated with climate risk, is not considered a high risk for Aker Horizons, given the company's sole engagement in planet-positive activities aiming to accelerate decarbonization of society. While associations with the broader Aker system and involvement with the oil and gas sector may represent a reputational risk in the case of lawsuits, Aker Horizons is not expected to be the direct subject of legal action. **Physical** Physical risks, both acute and chronic, related to both extreme weather events as well as rising sea levels, are relatively low for Aker Horizons directly but exist for several of the portfolio companies. Climate change-induced natural perils, such as extreme windstorms, earthquakes, floods of any type including storm surges, and hail and lightning storms, are potentially significant external hazards which represent risks to both safety (of staff, contractors, and neighbors), as well as property damage, which can furthermore cause costly delays to construction or interruption to power generation and revenue, or changes to estimated production output. Therefore, Aker Horizons' portfolio companies increasingly take strategic actions to ensure the robustness and resilience of our assets to mitigate physical risk and drive down the total cost of risk to our business. Furthermore, physical climate risk may play a role in exacerbating other risks faced – for instance, the transitional risk experienced by Aker Horizons in Chile was exacerbated in part by physical climate risk due to weaker hydrological conditions. For further information, see Financials and Notes, Note 26. On the opportunity side, there are few significant opportunities identified for Aker Horizons or the portfolio companies beyond an ability to calculate risks and recover faster from extreme weather events compared to competitors. However, activities intended to mitigate and adapt to risks may be performed through community involvement, awareness-raising and local projects targeting physical climate risk mitigation (for instance planting of mangrove forest to mitigate flooding, etc.).

4	**Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.**	Aker Horizons' overall business and strategy is founded on a commitment to create a planet-positive impact by developing green energy and green industry. This is anchored in a motivation for climate action and a drive to accelerate towards the drive to Net Zero. As a result, Aker Horizons' strategy is inherently shaped as a response to climate-related risks and opportunities. Aker Horizons' investments are currently placed within growth areas such as CCS, offshore and onshore wind power, hydrogen and solar power. To realize future projects and opportunities, Aker Horizons is keen to create robust business entities and establish good models for partnerships and alliances. Aker Horizons continuously aims to take steps towards the expansion of solutions within renewables and decarbonization of industry, through mergers and acquisitions as well as organic growth and project development. Aker Horizons has developed measures to support portfolio companies in their own processes for strategy development, risk management and financial planning, and in targeting new investments to further develop the portfolio. A key priority for Aker Horizons going forward involves further developing processes to continuously assess policy developments and policy instruments (subsidies, carbon quotas/regimes, licenses) as factors in strategic decision-making and financial planning. As described under Disclosure 6, Aker Horizons has a research and analysis team that continuously monitors climate-related policies, regulations, technology, commercial and market developments which feed into the company's strategy, investment decisions and project development activities. Climate risk also impacts on Aker Horizons' financial planning, as exemplified through Aker Horizons' issuing of its first Green Bond in February 2021 under Aker Horizons' and Aker ASA's Green Finance Framework.
5	**Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**	Aker Horizons' overall business and strategy is founded on a commitment to create a planet-positive impact by developing green energy and green industry. This is anchored in a motivation for climate action and a drive to accelerate the drive to Net Zero, and involves investing in companies that contribute to solving the climate crisis by accelerating decarbonization and providing the solutions needed in a 1.5°C scenario. In other words, the commercial opportunities created by climate action. Aker Horizons uses the International Energy Agency's (IEA) Net Zero Emissions (NZE) 2050 as its main guiding global scenario for identifying and assessing opportunities. As described under Disclosure 3, Aker Horizons has conducted an exercise to identify how the outlook to reach the IEA's NZE scenario has been impacted by events over the past year, and considered how this affects Aker Horizons. This has shed light on some of the nuances in the risks associated with the stated policies scenario, the announced pledges scenario, the NZE scenario, and the pathway to reaching the latter. Moreover, Aker Horizons' research and analysis team continuously analyzes scenarios based on a variety of market assumptions, such as power prices, commodity and CO_2 prices. This is used to evaluate the commercial viability of projects and potential investments, as well as pathways to net zero.

Risk management

6	**Describe the organization's processes for identifying and assessing climate-related risks.**	Aker Horizons assesses its own and its portfolio companies' exposure to climate-related risks and opportunities. Aker Horizons assesses portfolio and enterprise-level risk and opportunity exposure qualitatively across various topics on a quarterly basis through the ERM system described below, climate risk in-depth qualitatively and very high-level quantitatively on an annual basis, and has plans to introduce more detailed quantitative assessments for climate risk specifically. **Portfolio and enterprise-level risk management systems** The implementation of Aker Horizons' risk management systems has focused on establishing a structured format to collect risk data from portfolio companies and support them in identifying and assessing their own risks. To ensure a unified Enterprise Risk Management (ERM) process, Aker Horizons has developed, across the portfolio companies, a process and a template for ERM that includes climate-related risks. Portfolio companies are requested, on a quarterly basis, to provide an assessment of the risks most critical to their business within four broad enterprise-level risk categories. Climate risk is found to touch upon two of the main categories: Strategic and market risk (Transition risk), and Project and operational risk (Physical risk). For each category, the portfolio companies are asked to identify a minimum of three and a maximum of ten top risks, using the provided template. Aker Horizons does a similar exercise for its own company and enterprise-level risks. The results for both Aker Horizons and the portfolio are aggregated and then submitted to the Audit Committee for review. Also at the portfolio company level, all Aker Horizons Group companies are currently taking steps to design climate risk assessment into the decision gates of new investments, as well as assess existing assets. Physical climate risk assessment will also be a requirement under the EU taxonomy, which will provide guidance on how to approach this assessment for each individual asset. Aker Horizons expects its portfolio companies to identify and manage climate-related risks as part of their core business procedures. Aker Horizons encourages all portfolio companies to report their climate-related risks and opportunities according to TCFD, which Aker Horizons uses in its assessments of the portfolio companies' exposure to risks and opportunities. Aker Horizons assesses its entire risk matrix annually through a process involving the major functions within the organization, such as the investment team, finance, treasury, legal and compliance, sustainability and investor relations. This annual review process ensures the risk matrix is tailored to the Board's monitoring and strategic priority considerations. It is also an important tool for management level decisions. The comprehensive annual risk review guides the quarterly enterprise risk management system. Findings from these reviews are formalized and published annually in the companies' ESG /Sustainability reports. **Annual climate risk assessment** In 2021, Aker Horizons carried out a climate risk assessment supported by independent third-party experts on climate-related topics, as well as qualified consultants who facilitated aspects of the risk review process. This included separate workshops with relevant executives from each of the Aker Horizons Group companies to identify climate-related risks and opportunities. The results were presented to the senior management team of the respective companies, and to Aker Horizons' Audit Committee before being published. In 2022, internal dialogue was conducted during the year, including in a workshop between sustainability, finance, and research and analysis. Moreover, Aker Horizons strengthened its research and analysis team in 2022. This team continuously monitors climate-related policies, regulations, technology, commercial and market developments that feed into the company's strategy, investment decisions and project development activities. There has been an internal review of how different climate-related scenarios may impact Aker Horizons and what has changed since 2021, as reflected in the overview of identified risks and opportunities. The ambition with respect to assessing climate-related risks going forward involves introducing more quantitative scenario-based analyses and incorporation into Aker Horizons' financial m, in order to give an even more robust impression of the company's own and the portfolio's exposure and resilience to climate-related risks and opportunities.
7	**Describe the organization's processes for managing climate-related risks.**	The quarterly risk review described in Disclosure 6 involves reviewing: • Changes in estimated impact or probability of previously identified risks • Newly identified risks, including an estimate of impact and probability, and proposed mitigating actions • Progress of mitigating actions taken, how they have affected the risk assessment and, where applicable, additional mitigating actions Thus, the Enterprise Risk Management system is used to evaluate strategies to mitigate risk at the management and Board level, including climate-risks to the extent they are considered critical enough to be included in the short-list. In addition to Aker Horizons' procedures for risk management, the portfolio companies have individual processes for managing climate-related risks. Management of project and operational risk, including physical climate-related risk affecting projects and operations, lies primarily with the portfolio companies. Nevertheless, Aker Horizons monitors and follows up risk through regular dialogue with the managements of the portfolio companies and through participation on their boards.
8	**Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.**	The climate-related risk assessment process is integrated into the overall risk management system of Aker Horizons. At the portfolio level, the companies are using the enterprise risk template, which when reported to Aker Horizons is compiled into an overall risk assessment. This is further described in Disclosure 6, as well as mentioned in disclosures 1, 2 and 7.

Metrics & targets		
9	**Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.**	Aker Horizons' overall business and strategy is founded on a commitment to create a planet-positive impact by developing green energy and green industry. Central to this ambition is the understanding of impact. Understanding how to measure such impact is therefore central to the Company. For instance, the Company considers reduced/avoided emissions, captured CO_2e and renewable energy capacity as relevant metrics to assess climate-related risks and opportunities. The green bond issued by Aker Horizons also requires the impact of such aspects to be reported on. As an active owner, Aker Horizons engages with all its portfolio companies to ensure that the GHG emissions for Scope 1, 2, and partly 3 are calculated and reported, and that the companies have set ambitions for GHG emission reduction. To monitor and track the portfolio's progress, Aker Horizons has, in 2022, been working on improving consistency in GHG emission reporting across the portfolio, and will continue to do so in 2023. For further information, see the section on Climate change. Aker Horizons also tracks energy usage and share of renewable energy, as well as other metrics related to climate performance. Additionally, Aker Horizons supports the assessment of activities in relation to the EU Taxonomy Regulation across its portfolio. It will continue working with comprehensive taxonomy screenings for a thorough and compliant reporting of taxonomy-related quantitative metrics in the future. A preliminary assessment of Aker Horizons' investments vis-à-vis the EU Taxonomy can be found in the section Taxonomy Status. Finally, Aker Horizons monitors and tracks relevant market metrics that influences the Company's business, such as power prices, commodity and CO_2 prices – as described under Disclosure 5.
10	**Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.**	Aker Horizons' 2022 GHG emissions were: Scope 1: 772 tonnes CO_2e Scope 2: 5,576 tonnes CO_2e (location-based) Scope 2: 5,690 tonnes CO_2e (market-based) Scope 3: 21,462 tonnes CO_2e (location-based) Scope 3: 21,476 tonnes CO_2e (market-based) For further details on Aker Horizons' climate impact, see the section on Climate Change. For details on the approach to calculating greenhouse gas (GHG) emissions, see the section Transparent Reporting.
11	**Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.**	Aker Horizons has set concrete ambitions for its contribution to climate solutions. By 2025, it will strive to have achieved: • NOK 100 billion in green investment • 10 GW in renewable power capacity • 25 million tonnes of CO_2e p.a. emissions reduction As a developer of green projects, Aker Horizons and its portfolio companies must also reduce the footprint of their own operations, and cut emissions in line with the Paris Agreement. Aker Horizons has been committed to the Science Based Targets initiative (SBTi) since the start of 2022. Due to the changes to the Aker Horizons Group's carbon accounting methodology for 2022 mentioned above, the process of developing and submitting targets for approval has been put on hold, with the ambition reinitiate the process in 2023. By committing to the Science Based Targets initiative and establishing the ambition to set long-term science-based targets to reach net zero and align its business with a 1.5°C future, Aker Horizons is also recognized as part of the Business Ambition for 1.5°C and the Race to Zero campaigns. The current 2025 ambitions communicated by Aker Horizons across Scope 1, 2 and 3, albeit not updated to the new accounting approach, are: • Absolute Zero Scope 1 emissions • 100 percent renewable energy • 100 percent of portfolio companies committed to both Net Zero and SBTi

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